



Daily Report

East Asia

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CONTENTS

20 December 1988

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

NORTHEAST ASIA

Japan

Further on Soviet Foreign Minister's Visit	1
First Round of Talks Held <i>[Tokyo TV]</i>	1
More on Uno, Shevardnadze Talks <i>[KYODO]</i>	1
'Little Progress' on Land Dispute <i>[KYODO]</i>	2
Uno Notes 'Frank Exchange' <i>[KYODO]</i>	2
Communique Unlikely To Mention Dispute <i>[KYODO]</i>	3
Takeshita Welcomes Frequent Dialogue <i>[KYODO]</i>	3
Takeshita, Shevardnadze Meet <i>[KYODO]</i>	3
Shevardnadze on Gorbachev Visit <i>[KYODO]</i>	4
Shevardnadze Presents Gorbachev Note <i>[Moscow Radio]</i>	5
Shevardnadze, Abe Hold Talks in Tokyo <i>[KYODO]</i>	5
Shevardnadze, Uno Exchange Documents <i>[KYODO]</i>	5
Shevardnadze, Doi Hold Talks <i>[KYODO]</i>	6
Shevardnadze, Nakasone Meet <i>[KYODO]</i>	7
Further Speculation on Cabinet Changes <i>[KYODO]</i>	7

Mongolia

Choybalsan's Party Membership Questioned <i>[MONTSAME]</i>	8
Workers Write to Papers on Restructuring <i>[MONTSAME]</i>	8

North Korea

Premier Calls for Talks With U.S., South <i>[Pyongyang Radio]</i>	8
Letter Delivery Reported <i>[KCNA]</i>	8
U.S. Brings Two B-52 Bombers Into South <i>[KCNA]</i>	8
KCNA Carries QNA Report on U.S.-PLO Contact	9
CPRF Denounces U.S. Stand on Force Accord <i>[KCNA]</i>	9
Composer Yun I-sang's Orchestral Works Performed <i>[KCNA]</i>	9
Dismissed Teachers Group Formed in Seoul <i>[KCNA]</i>	10
South Students Attack Kwangju Prosecutor's Office <i>[KCNA]</i>	10
Delegation Leaves for USSR; Soviets Arrive <i>[KCNA]</i>	10
Soviet Military Delegation Arrives <i>[KCNA]</i>	10
Polish Government Delegation Continues Visit	10
Cho Se-ung Addresses Party <i>[KCNA]</i>	10
Yon Hyong-muk Meets Group <i>[KCNA]</i>	11
Economic, Scientific Protocol Signed <i>[KCNA]</i>	11
Cho Se-ung Attends Embassy Reception <i>[KCNA]</i>	11
Delegation Departs <i>[KCNA]</i>	11
Mongolian Youth Festival Delegation Arrives <i>[KCNA]</i>	11
Kim Il-song Sends Message to Burkinabe Leader <i>[KCNA]</i>	11
Kim Il-song Sends Reply to Benin's Leader <i>[KCNA]</i>	12
Yon Hyong-muk Sends Sympathy Message to Thailand <i>[KCNA]</i>	12
Yang Hyong-sop Greets Senegalese Counterpart <i>[KCNA]</i>	12
Kim Il-song Greets Nigerois Head of State <i>[KCNA]</i>	12
Dailies Observe National Day <i>[KCNA]</i>	12
Iranian Mining Delegation, Cuban Envoy Arrive <i>[KCNA]</i>	13

Film Shown on Centenary of Nehru's Birth [KCNA]	13
Socialist Papers Support Peace Proposals [KCNA]	13
Lebanese CP Supports Principles for Peace [KCNA]	13
Forum on Youth Festival Held in Pyongyang [KCNA]	14
Functionaries Urged To Implement WPK Decision [Pyongyang Radio]	14
Paper on Advantages of Socialist Rural Economy [KCNA]	17

South Korea

North Said To Favor Quadripartite Talks [THE KOREA HERALD 20 Dec]	17
Official Discounts DPRK Premier's Proposal [YONHAP]	18
Government Approves Plans for North Imports [YONHAP]	18
Red Pepper Exports Considered [THE KOREA TIMES 20 Dec]	18
Firm Seeks To Import Gold [YONHAP]	19
Daewoo Plans Gold Imports [THE KOREA TIMES 20 Dec]	19
Prime Minister Makes Statement on Prisoners	19
Preview of Announcement [THE KOREA HERALD 20 Dec]	19
Statement on Release of Prisoners [Seoul Radio]	20
YONHAP Reports Statement	20
Spokesman Details Release Plans [YONHAP]	21
Kim Tac-chung Cited on U.S. Troop Presence [THE KOREA HERALD 20 Dec]	21
Daily Discusses Reevaluation of U.S. Ties [KYONGHYANG SINMUN 15 Dec]	22
Businessman Arrested for 'Northrop Scandal' [YONHAP]	22
Paper Views 'Open-Door Policy' Toward North [THE KOREA HERALD 18 Dec]	23
Northern Policy 'Success' Reviewed [YONHAP]	24
North Korean National Arrives in Seoul [YONHAP]	25
50 Tons of Relief Supplies Sent to Armenia [THE KOREA TIMES 20 Dec]	26
Hyundai Mission To Visit Soviet Union [THE KOREA HERALD 20 Dec]	26
Original Labels on Communist Products Allowed [THE KOREA TIMES 17 Dec]	26
Agreement on Container Shipping Route With PRC [YONHAP]	26
Companies To Aid in Port Expansions [YONHAP]	27
Daewoo, Chinese Firm To Produce Steel [YONHAP]	27
Daily Signs Exchange Agreement With XINHUA [CHUNGANG ILBO 19 Dec]	27
Firm To Supply SRV With Textile Machinery [YONHAP]	28
Contracts With Indonesian Firm on Gas Venture [YONHAP]	28
Chon, Choe May Offer Written Testimony [THE KOREA TIMES 20 Dec]	28
Kwangju Panel Hears Former Martial Law Chief [THE KOREA HERALD 20 Dec]	28
Poll on Support for RDP Soars After Hearings [CHOSON ILBO 18 Dec]	30
Daily Notes Problems in Assembly Investigations [TONG-A ILBO 15 Dec]	30
Failure To Invoke Probe Rights Into Realignment [THE KOREA TIMES 18 Dec]	31
PPD Denies Seeking Release of 'Spies' [THE KOREA TIMES 20 Dec]	32
Opposition To Probe Chon Misdeeds 'Indefinitely' [THE KOREA HERALD 17 Dec]	32
Columnist Comments on Party Maneuvering [THE KOREA TIMES 18 Dec]	33
Daily Assails Prosecution's Decision on Chon [HANGYORE SINMUN 17 Dec]	34
300 Students Attack Kwangju Offices [THE KOREA TIMES 20 Dec]	35
Veto of Legislation on Purged Officials Planned [THE KOREA TIMES 18 Dec]	35
Chamber of Commerce Employees End Strike [THE KOREA HERALD 20 Dec]	35
Government Considers Rescuing Daewoo Shipbuilding [THE KOREA TIMES 18 Dec]	35
FKI Conducts Poll on Market Opening, Economy [YONHAP]	36
Ministry Plans Liberalization of Canned Goods [YONHAP]	36

SOUTHEAST ASIA

Burma

Plan To Return Students From Border Viewed [Rangoon Radio]	37
Parties Told Actions 'Could Delay' Elections [AFP]	37
Commission Announces Two More Party Platforms	37
New Life Party [Rangoon Radio]	37
League for Peace of Shan Youths [Rangoon Radio]	38

Brunei, Malaysia & Singapore

Malaysia

Mahathir Expresses 'Confidence' in Economic Policy	<i>[BERITA HARIAN 30 Nov]</i>	38
Deputy Premier Views Economic Council	<i>[BERNAMA]</i>	39

Singapore

Habeas Proceedings for Detainees To Change	<i>[AFP]</i>	39
--	--------------	----

Cambodia

Further Reportage on SRV Troop Withdrawal		40
PRACHEACHON Praises SRV Volunteers	<i>[Phnom Penh Radio]</i>	40
Tie Banh Bids Divisions Farewell	<i>[SPK]</i>	41
Joint Party Honors Troops	<i>[SPK]</i>	42
5th Division Leaves Banteay Meanchey	<i>[Phnom Penh Radio]</i>	42
Battambang Sends Off Volunteers	<i>[Phnom Penh Radio]</i>	42
UN Special Envoy Ends Visit, Departs	<i>[SPK]</i>	43
SPK Reports Thai Border Violation Figures	<i>[SPK]</i>	43
Heng Samrin Closes Emulation Meeting	<i>[Phnom Penh Radio]</i>	43
VODK Calls SRV Withdrawal Claims 'Deceitful'		46
VONADK Reports Arrival of More SRV Troops		47

Indonesia

Kuwaiti Embassy Opens; Suharto Meets Ambassador	<i>[Kuwait KUNAJ]</i>	47
Suharto on Concerted Efforts Against Smuggling	<i>[ANTARA]</i>	48
Legal Definitions for Anticommunist Drive Sought	<i>[AFP]</i>	48
Follow-Up to October Economic Policy Package	<i>[ANTARA]</i>	49

Laos

Politburo Issues Resolution on PRK National Day	<i>[KPL]</i>	49
Politburo To Send Aid to USSR Quake Victims	<i>[Vientiane Radio]</i>	50
Japan Signs Memorandum on Drainage Assistance	<i>[KPL]</i>	50

Philippines

Officials Refused Entry Into Subic Base	<i>[PHILIPPINE DAILY GLOBE 20 Dec]</i>	50
Manglapus Encourages Trade With Soviets	<i>[Quezon City Radio-TV]</i>	51
Further on Trade With Soviets	<i>[AFP]</i>	51
'Diplomatic Inroads' Viewed	<i>[Quezon City Radio]</i>	52
Envoy to Moscow Confirms Talks on Bases	<i>[PHILIPPINE DAILY GLOBE 20 Dec]</i>	52
Envoy to USSR Alleges Attempt To Destroy Ties	<i>[PHILIPPINE DAILY GLOBE 19 Dec]</i>	53
Laurel Reported in Taiwan on Private Visit	<i>[Manila Radio]</i>	54
Nationwide Hunt Launched for Japanese Terrorists	<i>[Quezon City Radio]</i>	54
West Germany To Increase Financial Assistance	<i>[Quezon City Radio]</i>	54
Aquino Views Moratorium, Shevardnadze Visit	<i>[Manila Radio]</i>	54
Helicopter Sent To Pick Up Ramos Crashes	<i>[Quezon City Radio]</i>	55
Ramos Denies Sabotage Theory	<i>[Manila Radio]</i>	55
PC Chief Challenges Groups To Prove Charges	<i>[PHILIPPINE DAILY INQUIRER 19 Dec]</i>	55
De Villa Not Named Accessory in Baula's Murder	<i>[Quezon City Radio-TV]</i>	56
NPA To Release Captives 'Before Christmas'	<i>[Quezon City Radio]</i>	56
Adalem Encourages Purchase of More Helicopters	<i>[Baguio City Radio]</i>	56
Senators View Proposed Cordillera Draft Act	<i>[PHILIPPINE DAILY INQUIRER 20 Dec]</i>	56

Thailand

U.S. Warns Against Passing Software Law <i>[BANGKOK POST 20 Dec]</i>	57
Commerce Minister on Impact of GSP Cut <i>[THAI RAT 18 Dec]</i>	58
Politics Play Key Role in Talks <i>[BANGKOK POST 18 Dec]</i>	58
Columnist Concerned Over Loss of GSP Rights <i>[NAEO NA 15 Dec]</i>	59
Commentator Lauds Chatchai's GSP Decision <i>[MATICHON 19 Dec]</i>	60
Press Accused of Plotting Destabilization <i>[BANGKOK POST 18 Dec]</i>	61
Country Assessed as 'Regional Superpower' <i>[BANGKOK POST 18 Dec]</i>	61
Ministry Confirms USSR's Ryzhkov January Visit <i>[Radio VOFA]</i>	62
Sitthi, Ali Alatas Discuss Planned 2d JIM <i>[BANGKOK POST 17 Dec]</i>	62
Gambian President Leaves for Bangladesh <i>[Bangkok TV]</i>	62
Former Prime Minister To Visit Laos, Vietnam <i>[THE NATION 18 Dec]</i>	63

Vietnam

34 'Counterrevolutionaries' Sentenced to Prison <i>[AFP]</i>	63
Radio Reports Development of Troop Withdrawal <i>[Hanoi International]</i>	63
Reportage on National Assembly Session	64
Socioeconomic Problems Debated <i>[VNA]</i>	64
Nguyen Thi Binh Gives Labor Report <i>[Hanoi Radio]</i>	64
Deputies Attend 17 December Meeting <i>[Hanoi Radio]</i>	66
Deputies Hold Discussions <i>[Hanoi Radio]</i>	69
Deputies Discuss Economic Measures <i>[Hanoi International]</i>	70
Further on Economic Discussion <i>[Hanoi Radio]</i>	70
Soviet Quake Victims Condoled <i>[VNA]</i>	71
Shevardnadze Receives SRV Envoy in Moscow <i>[VNA]</i>	71
Publication Cooperation With USSR Expanded <i>[VNA]</i>	71
Paris Seminar Urges Solidarity With Vietnam <i>[VNA]</i>	71
Radio Views Trade Relations with Northeast Asia <i>[Hanoi Radio]</i>	71

AUSTRALASIA

Australia

Evans Affirms Support for Lini Government <i>[Melbourne International]</i>	73
--	----

Fiji

Rabuka Supports Religious Hardliners <i>[AFP]</i>	73
---	----

Vanuatu

Sope, Supporters Appear in Court for Charges <i>[Melbourne International]</i>	73
Parliament Initiates Proceedings Against President <i>[AFP]</i>	74

Japan

Further on Soviet Foreign Minister's Visit

First Round of Talks Held

OW1912135888 Tokyo NHK General Television Network
in Japanese 1000 GMT 19 Dec 88

[Text] The Japanese and Soviet foreign ministers began their regular consultations today. Regarding the northern territorial issue, the focal point, the two sides remained wide apart, maintaining their respective conventional positions, but they agreed to hold in-depth talks by setting up three work groups on peace treaty negotiations including the northern territories issue and regional issues in Asia.

The Soviet side showed a positive posture on General Secretary Gorbachev's visit to Japan, a pending issue.

[Begin live relay by Hiroshi Hasegawa of the NHK Political Department from the Foreign Ministry] The Japanese-Soviet foreign ministerial talks, which opened today, took a total of 6 and ½ hours including the second round which ended this evening.

During the first round of talks, Foreign Minister Shevardnadze said: The Soviet Union wants to open a new page in Japan-Soviet relations. To this end, the foreign ministerial talks should be held more frequently in addition to the regular consultations like the current one to prepare for Japanese-Soviet summit talks.

By saying so Foreign Minister Shevardnadze indicated the Soviet intention to actively strive to bring about General Secretary Gorbachev's visit to Japan, which has been a pending issue since 2 years ago.

The second round of talks, devoted mainly to the northern territories issue, the biggest pending issue, was held from 1430 [0530 GMT] to 1800 [0900 GMT].

During this round the two sides clarified their basic positions by tracing back the historical development of the issue, with the Soviet side reportedly not changing its conventional position.

In other words, the Japanese side called for the return of the four islands, explaining the course of events which led to the confirmation of the existence of the northern territories issue between the two countries at the 1973 talks between then Prime Minister Tanaka and then General Secretary Brezhnev. But the Soviet side did not change its principled posture that the territorial issue has already been resolved.

At the talks today, however, Foreign Minister Shevardnadze reportedly did not use the phrase already resolved; neither did he so during his last visit to Japan.

At the talks today, it was agreed that an unprecedented vice ministerial consultation on this issue be held tomorrow separately from the ministerial consultation. Thus, it may be safe to say that the Soviet side was showing another indication that the Gorbachev regime is willing to comply with the proposed substantial debates on the territorial issue.

I have reported to you from the Foreign Ministry. [end relay]

More on Uno, Shevardnadze Talks

OW1912143188 Tokyo KYODO in English 1256 GMT
19 Dec 88

[Excerpts] Tokyo, Dec. 19 KYODO—Japanese and Soviet Foreign Ministers Sosuke Uno and Eduard Shevardnadze on Monday agreed to promote bilateral talks but failed to narrow differences over a decades-long territorial dispute, Japanese Foreign Ministry officials said.

Shevardnadze, who had two rounds of talks with Uno at a Foreign Ministry guesthouse in downtown Tokyo, rejected Japan's call for the return of four small islands off Hokkaido, which the Soviet Union seized after World War II.

The Soviet Georgian minister told Uno that Moscow's position is unchanged and that the two countries should respect the state of affairs since the war.

However, he did not use Moscow's usual phraseology that "there exists no territorial dispute between Tokyo and Moscow," or "the issue is already settled," the officials said.

Uno reasoned Japan's claim on the islands—Kunashiri, Etorofu, Shikotan and the Habomais—from a historical and legal point of view.

During the three-hour morning session, Uno and Shevardnadze agreed to hold more frequent talks to pave the way for a Japan-Soviet summit meeting between Prime Minister Noboru Takeshita and Soviet leader Mikhail Gorbachev.

The two men spent their first three hours in discussions mainly of international affairs and the next three hours talking chiefly about bilateral affairs.

Uno and Shevardnadze agreed to set up three working-level groups to deepen discussions on the territorial issue, regional problems and bilateral relations.

The territorial dispute, which has blocked the conclusion of a bilateral peace pact formally ending war-time hostilities, will be discussed at the working-level consultations headed by Takakazu Kuriyama, deputy foreign minister on the Japanese side, and Igor Rogachev, vice foreign minister, on the Soviet part.

The three bodies will report results of their talks to Uno and Shevardnadze before the two foreign ministers' third and last session of meetings to be held on Tuesday afternoon. [passage omitted]

On bilateral exchange, Uno and Shevardnadze agreed to activate interchanges of politicians and Foreign Ministry officials from each country to promote mutual understanding.

On economic topics, Uno was quoted as saying that bilateral economic relations between Tokyo and Moscow stop short of realizing their potential and Japan is ready to develop them in the spirit of reciprocity and equality.

Uno stressed the need for establishment of long-term mutual trust and development of economic systems in the Soviet Union to promote bilateral economic relations.

In response, Shevardnadze asked for conclusion of a pact protecting investments in each country and invited Japanese companies to set up joint ventures with the Soviet enterprises.

Uno demanded that Japanese fishing boats be allowed to operate in the "triangle waters" near Shikotan and the Habomais and that the Soviets reconsider their proposal for a total ban on offshore salmon catches in the northern Pacific until 1992.

The Japanese foreign minister also called on Shevardnadze to increase the number of the former Japanese residents of the northern territories allowed to visit the graves of their relatives in the Soviet-held islands and to permit landings on Etorofu island, which has been off limits since the end of World War II.

Concerning the repatriation issue of Koreans living in Sakhalin, the Japanese foreign minister also called on the Soviet Union to take further measures to realize more returns.

Tens of thousands of Koreans were forced to go to Sakhalin during Japanese colonial rule of Korea from 1910 to 1945, when the southern half of Sakhalin was held by Japan.

Some 43,000 Koreans have remained on the island since the Soviets took control of it.

'Little Progress' on Land Dispute
OW1912130988 Tokyo KYODO in English 1208 GMT
19 Dec 88

[Text] Tokyo, Dec. 19 KYODO—Japanese and Soviet Foreign Ministers Sosuke Uno and Eduard Shevardnadze made little progress Monday over Japan's call for the return of four small islands which the Soviet Union seized after World War II, Japanese officials said.

Shevardnadze, however, did not use Moscow's usual phraseology that "there exists no territorial dispute between Tokyo and Moscow," or "the issue is already settled."

The Soviet foreign minister maintained that the two countries should regard the state of affairs from a post-war perspective and that Moscow's position is unchanged, the Foreign Ministry officials said.

But Uno and Shevardnadze agreed to discuss the matter in the third round of their talks on Tuesday.

Uno and Shevardnadze also agreed to set up three working groups—one to discuss specifically the territorial dispute, another Asia-Pacific affairs and the third other bilateral affairs, the officials said.

The two men spent their first three hours in discussions of international affairs and the next three hours talking over bilateral affairs.

Uno Notes 'Frank Exchange'
OW1912133788 Tokyo KYODO in English 1259 GMT
19 Dec 88

[Text] Tokyo, Dec. 19 KYODO—Japanese Foreign Minister Sosuke Uno said Monday that he and his Soviet counterpart Eduard Shevardnadze held a frank exchange of opinions on the two countries' territorial dispute over four Soviet-occupied northern islands.

In a dinner toast to Shevardnadze, who is in Japan on a four-day visit, Uno evaluated the day's talks by saying that Japan and the Soviet Union had deepened their approach to "problems left unresolved since the end of the war."

He added, however, that they still remained apart in their respective stances and called for negotiations to continue to minimize those differences.

Uno and Shevardnadze met for six hours Monday, including some 90 minutes devoted solely to the territorial issue and prospects of concluding a peace treaty.

Foreign Ministry sources noted a fresh change in the Soviet's new willingness to confront the issue head-on this time, in comparison with the avoidance they displayed in the last two ministerial talks held in Moscow in May 1986 and in Tokyo in January 1986.

Out of deference to Shevardnadze during his address, Uno did not refer by name to the so-called "northern territories" of Kunashiri, Etorofu and Shikotan Islands, and the Habomai group, which were seized by the Soviets after the end of World War II.

Shevardnadze, apparently alluding to the territorial dispute, said the Soviet Union wishes to overcome "difficulties that have been inherited from the past" in regard to its relationship with Japan.

He said the Soviet-Japan relationship has the potential to be a progressive one instead of one subject to periodic rises and falls as it has been throughout the postwar period.

Uno said the Soviet policy of "perestroika" (restructuring) is a word that is on everybody's lips in Japan and other countries and called on the two countries to "ride on the wind of change and progress."

Communiqué Unlikely To Mention Dispute
OW1912142388 Tokyo KYODO in English 1348 GMT
19 Dec 88

[Text] Tokyo, Dec. 19 KYODO—No specific mention of the northern territories issue will likely be made in a joint communiqué to be issued at the end of Soviet Foreign Minister Eduard Shevardnadze's visit to Japan, Foreign Ministry sources said Monday.

Shevardnadze remained steadfastly against Japan's demand for the return of four Soviet-held islands during a six-hour meeting with his Japanese counterpart Sosuke Uno.

Japan has prepared a draft clause stating that the two countries agree that talks should be held to settle unresolved problems, including the northern territories issue, and to conduct negotiations leading to a peace treaty.

The Soviet Union, however, has presented a clause that the two countries conduct talks on a variety of topics, including problems which can be included in negotiations on a peace treaty, the sources said.

During the two rounds of talks with Uno on Monday, Shevardnadze was quoted as saying that both countries should respect post-World War II boundaries and that Moscow's position on the territorial dispute is unchanged.

Japan has long called for the return of four islands just east of Hokkaido—Kunashiri, Etorofu, Shikotan and the Habomai—which the Soviet Union seized after the war.

Takeshita Welcomes Frequent Dialog
OW2012023088 Tokyo KYODO in English 0200 GMT
20 Dec 88

[Text] Tokyo, Dec. 20 KYODO—Prime Minister Noboru Takeshita Tuesday welcomed a Japan-Soviet agreement to hold foreign ministerial talks more frequently Minister Sosuke Uno said.

Takeshita made the response when he received Uno's briefing after the day's cabinet session on the outcome of his two rounds of talks with Soviet Foreign Minister Eduard Shevardnadze on Monday, Uno said.

Uno and Shevardnadze agreed the previous day to hold more frequent talks to pave the way for a Japan-Soviet summit between Takeshita and Soviet leader Mikhail Gorbachev.

If he is retained as foreign minister in a cabinet reshuffle scheduled for next week, Uno will go to Paris in January to attend an international conference on the elimination of chemical weapons.

At that time, he will meet Shevardnadze, who is also scheduled to attend the conference, according to Foreign Ministry sources.

Uno said he is impressed with Shevardnadze's determination to improve ties with Japan.

Meanwhile, a top-level Foreign Ministry official told reporters that uno plans to go to Moscow in may for regular consultations with Shevardnadze.

Japan expects more foreign ministerial talks before Gorbachev comes to Tokyo for a summit with Takeshita, the official said.

Takeshita, Shevardnadze Meet
OW2012023888 Tokyo KYODO in English 0202 GMT
20 Dec 88

[Text] Tokyo, Dec. 20 KYODO—Soviet Foreign Minister Eduard Shevardnadze told Japanese Prime Minister Noboru Takeshita on Tuesday that the two countries need to have a dialogue at the summit level.

Shevardnadze, however, did not propose a firm timetable for a visit by Soviet leader Mikhail Gorbachev to Japan, Japanese Foreign Ministry officials said.

The Soviet foreign minister, in an hour-long session with Takeshita at his official residence, was quoted as saying that Gorbachev has put a Japan visit on his political schedule.

Takeshita told Shevardnadze that he hopes to discuss with Gorbachev what the two countries can do to promote cooperation in the Asia-Pacific region and true stability in East-West relations.

The prime minister reaffirmed that Japan cannot leave the territorial dispute as it is and that the two countries must settle it through frank talks in order to establish lasting stability and cooperation between them, the officials said.

Takeshita, in reply to Shevardnadze's question as to whether the two countries could develop ties without reaching an accord on the territorial issue, said everything can be resolved through ardent exchanges of opinions.

Shevardnadze later met Liberal Democratic Party Secretary General Shintaro Abe, telling him that he is ready to act as an intermediary to help improve relations between Japan and North Korea.

Abe was Japan's foreign minister 3 years ago when he had two separate rounds of talks with Shevardnadze, first in Tokyo in January 1986 and then in Moscow 4 months later.

Shevardnadze on Gorbachev Visit

OW2012050988 Tokyo KYODO in English 0408 GMT
20 Dec 88

[Text] Tokyo, Dec. 20 KYODO—Soviet Foreign Minister Eduard Shevardnadze told Japanese Prime Minister Noboru Takeshita on Tuesday that Kremlin leader Mikhail Gorbachev has already placed a Japan visit on his political calendar.

Shevardnadze, currently on a 4-day visit to Japan until Wednesday, did not give a firm timetable for a Gorbachev visit to Japan but delivered an invitation for Takeshita to visit Moscow, Japanese Foreign Ministry officials said.

The Soviet foreign minister, meeting Takeshita at his official residence for an hour Tuesday morning, called for bilateral efforts to open up a new chapter in Soviet-Japanese relations, telling the prime minister that the two countries need to have a dialogue at the summit level.

Shevardnadze also told Takeshita that the foreign ministers of the two countries need to have more frequent talks to prepare for such a summit meeting.

The prime minister replied that he is looking forward to seeing Gorbachev at the earliest possible opportunity, the officials said.

Takeshita also told Shevardnadze that he wants to discuss with the Soviet President what the two countries can do to help promote peace and stability in Asia and how they can contribute to a lasting improvement of East-West ties.

Japan has repeatedly asked Gorbachev to visit Tokyo, noting that no top Soviet leader has ever visited Japan. Four Japanese prime ministers have gone to Moscow—Ichiro Hatoyama in 1956, Kakuei Tanaka in 1973, Zenko Suzuki in 1982, and Yasuhiro Nakasone in 1985.

Shevardnadze handed Takeshita a letter from Gorbachev but its contents are not known the officials said.

Takeshita pressed Shevardnadze to respond flexibly to Japan's decades-long call for the return of four small islands off Hokkaido—Etorofu, Kunashiri, Shikotan, and the Habomai Group, which the Soviet Union seized after World War II, the officials said.

The prime minister reaffirmed that Japan cannot leave the territorial dispute as it is and that the two countries must settle it through frank talks in order to establish lasting stability and cooperation between them.

If the issue is settled, the two countries can find a bright prospect of true cooperation and proceed toward a new chapter in their bilateral ties, Takeshita was quoted as saying.

In response to Shevardnadze's question as to whether Japan and the Soviet Union can develop ties without reaching an accord on the territorial dispute, Takeshita replied that an ardent exchange of opinions will not hinder bilateral friendship.

Takeshita was also quoted as saying that he does not think the territorial dispute cannot be resolved.

The two men shared the view that an improvement in Japan-Soviet ties would help promote stability of the world, the officials said.

Takeshita welcomed the Soviet Union's recent foreign policy initiative as shown in Gorbachev's speech at the United Nations General Assembly session on December 7, in which he pledged a unilateral cut in Soviet armed forces.

The Soviet foreign minister told Takeshita that Gorbachev's efforts to promote Perestroika (restructuring) are not temporary but permanent and are producing a fresh approach toward international problems.

Prime Minister Takeshita hinted later that he is ready to go to Moscow before Gorbachev visits Japan.

Takeshita, talking with reporters briefly at the Diet, said he and Shevardnadze reached an accord to exchange mutual visits by himself and Gorbachev to each other's country.

The prime minister said this does not necessarily mean that he will go to Moscow after Gorbachev comes to Tokyo.

Takeshita and his predecessor Nakasone have both to date contended that it is the Soviet turn to pay a summit visit because four prime ministers visited the Soviet Union in the past.

Shevardnadze Presents Gorbachev Note
LD2012095188 Moscow Domestic Service in Russian
0830 GMT 20 Dec 88

[Text] The visit of Eduard Ambrosiyevich Shevardnadze, member of the CPSU Central Committee Politburo and USSR minister of foreign affairs, to Japan is continuing. Correspondents of the UPI agency report on the meeting between the Soviet guest and Japanese Prime Minister Takeshita. It took place in the official residence of the prime minister this morning.

Eduard Ambrosiyevich Shevardnadze handed the Japanese prime minister a message from Comrade Gorbachev. The letter notes the necessity of a political dialogue at summit level between Japan and the Soviet Union. The high level of dialogue will make it possible to open a new chapter in Soviet-Japanese relations, the letter stresses.

Shevardnadze, Abe Hold Talks in Tokyo
OW2012072988 Tokyo KYODO in English 0650 GMT
20 Dec 88

[Text] Tokyo, Dec. 20 KYODO—Soviet Foreign Minister Eduard Shevardnadze told Liberal Democratic Party Secretary General Shintaro Abe on Tuesday that the Soviet Union is ready to act as an intermediary in solving problems between Tokyo and Pyongyang.

Abe, himself a former foreign minister, told reporters later that Japan must make efforts to improve relations with North Korea, with which it has no diplomatic ties, and called for the Soviets to cooperate in solving "humanitarian problems," a reference to two Japanese seamen detained in North Korea for five years.

He did not say, however, whether he made any specific response to the Soviet offer to mediate with Pyongyang.

Abe told reporters after the hour-long meeting at the LDP head office that he told Shevardnadze he would also welcome it if the Soviet Union promoted dialogue between North and South Korea.

Shevardnadze was quoted as saying that a favorable trend has emerged in relations between Seoul and Pyongyang and that he was interested in South Korean President No Tae-u's speech at the U.N. General Assembly in September and promised to exert efforts for solving the Korean peninsula issue.

The Soviet foreign minister said the Soviet Union and Japan must conclude a peace treaty and that there are now prospects for conclusion of such a treaty.

Shevardnadze said the two countries should discuss all matters, including political, economic and geographical problems, with new proposals and ideas through a standing group to settle bilateral issues.

Abe agreed with Shevardnadze and said it is necessary for the two countries to continue to have talks.

The LDP secretary general praised Soviet leader Mikhail Gorbachev for making what he said was a great contribution to world peace by concluding the INF treaty with the United States and said elimination of intermediate-range nuclear forces from Asia will benefit Soviet-Japan relations and Asia.

Abe also said Sino-Soviet relations have improved and the Soviet Union is withdrawing its troops from Afghanistan. Remaining issues include Kampuchea and the Korean peninsula, he said, adding that Japan is prepared to play a major role in establishing an independent Kampuchea.

Shevardnadze said matters concerning the Kampuchean issue were heading in a good direction and the possibility of a settlement had emerged.

He said it is important to strengthen ties between Moscow and Tokyo in promoting peace in Asia and proposed holding a conference of foreign ministers of Asian and Pacific countries.

The Soviet foreign minister said environmental problems are a greater threat than nuclear weapons and it is necessary to hold a summit meeting on the issue among Asia and Pacific countries.

Shevardnadze proposed an exchange of delegations between the Soviet Communist Party and the LDP and said his country is prepared to accept a large mission from the Japanese governing party.

Abe told Shevardnadze that interparty exchange is important and that he hopes to promote exchanges between the two parties.

Shevardnadze, Uno Exchange Documents
OW2012074488 Tokyo KYO in English 0715 GMT
20 Dec 88

[Text] Tokyo, Dec. 20 KYODO—Japanese Foreign Minister Sosuke Uno and his Soviet counterpart Eduard Shevardnadze exchanged diplomatic documents Tuesday on bilateral cultural exchanges and the protection of migratory birds during their third round of talks at the Foreign Ministry's Iikura Guesthouse.

The two-year accord on cultural exchanges, to begin next April, provides for the first ever government-funded bilateral student exchange program and calls for academic exchanges, film festivals, and the holding of a "Japan week" in Moscow and a "Soviet week" in Tokyo.

The long-stalled Japan-Soviet agreement on the protection of 287 kinds of migratory birds, meanwhile, went into effect immediately on the exchange of ratification documents between the two foreign ministers.

The treaty, delayed for 15 years, provides protection for migratory birds that travel between eastern Siberia and Japan.

The document was originally signed in Moscow in October 1973 by then Japanese Foreign Minister Masayoshi Ohira and his Soviet counterpart at that time, Andrey Gromyko.

The environmental pact fell into limbo when a disagreement arose over the nesting sites of some of the species on the list put forward by Moscow, which in Japanese eyes linked the treaty to the two countries' territorial dispute over four Soviet-occupied islands off northeastern Hokkaido.

Japan opposed a Soviet claim that the two species inhabited only the islands—Kunashiri, Etorofu, Shikotan, and the Habomai group—which constitute the so-called "northern territories" seized by the Soviet Union after the end of World War II.

Japanese Government officials said ratification of the treaty as it stood previously could have been misinterpreted as an abandonment of Japan's claims to the territories, as the birds designated in the treaty are by implication considered to be shared by the two countries.

Talks resumed recently after the Soviet Union agreed to withdraw one of the birds, the Japanese golden eagle, from its list while acknowledging that the other, the blakiston's fish-owl, lives in other parts of Soviet territory in addition to the disputed islands.

With the implementation of the accord, the environment agency will add 23 new entries to Japan's list of 136 endangered species of birds, while the Soviet Union will add 28 species to their list.

Biologists of the two countries will also conduct joint research and exchange information on the habits and migratory routes of the birds, many species of which are still little-known to scientists.

The two sides agreed in the document on the desirability of establishing special facilities to engage in the full-time task of preserving endangered birds.

The treaty bans both the unauthorized capture and collection of eggs of endangered birds designated in the treaty without prior consultation.

It also regulates seasonal hunting and the import and export of both live and stuffed birds.

The agreement further provides for the establishment of habitat preserves and prohibits the introduction of harmful plants and animals into their environment.

The Soviet Union has been viewed by some ornithologists as the missing link in the network of such pacts Japan has already concluded with the United States, Australia and China.

Shevardnadze, Doi Hold Talks
OW2012095188 Tokyo KYODO in English 0921 GMT
20 Dec 88

[Text] Tokyo, Dec. 20 KYODO—Soviet Foreign Minister Eduard Shevardnadze called for a dynamic relationship between the Soviet Union and Japan during a meeting Tuesday with Japan Socialist Party Chairwoman Takako Doi, JSP officials said.

The leader of Japan's largest opposition party, who called on Shevardnadze at the Soviet Embassy for 40 minutes, said long-term economic cooperation is important for improving bilateral relations.

The Soviet foreign minister was quoted as replying that bilateral relations, including political and economic problems, should not be held hostage to a single problem.

The Soviet Union has good relations with the Association of Southeast Asian (ASEAN) countries, India and Australia, has begun to seek relations with South Korea at the non-government level and has dynamic ties with West European countries, while Russo-Japanese relations have been stagnant—something which should be overcome, he said.

New guidelines, views and approaches are needed, not only for the two countries, but also for the security of Asia and the Pacific region as well as world stability, Shevardnadze was quoted as saying.

The JSP chairwoman said many Japanese people have an interest in the pending territorial issue with the Soviet Union.

Shevardnadze countered by saying "I put a non-diplomatic question to Prime Minister Noboru Takeshita today: 'What if the territorial dispute is not settled?' He said relations in other areas must be developed. I think this is rational."

The Soviet foreign minister told Doi his country hopes to discuss all bilateral issues related to a peace treaty and that if negotiations begin, new ideas will arise, but if the relations between the two countries are at a standstill, nothing will be produced.

Doi said she welcomes Soviet leader Mikhail Gorbachev's speech in Krasnoyarsk last September because he spoke persuasively for disarmament in Asia and the Pacific region. She noted that her party is preparing to host a symposium on a non-nuclear Asia and Pacific.

Shevardnadze said the Soviet Union attaches importance to the symposium and noted that he had expressed concern over the military buildup race in Asia and the Pacific at meetings with both Prime Minister Takeshita and former Prime Minister Yasuhiro Nakasone.

Shevardnadze, Nakasone Meet
*OW2012103888 Tokyo KYODO in English 1005 GMT
20 Dec 88*

[Text] Tokyo, Dec. 20 KYODO—Soviet Foreign Minister Eduard Shevardnadze told former Japanese Prime Minister Yasuhiro Nakasone on Tuesday that the time is ripe for Soviet leader Mikhail Gorbachev to visit Japan.

Shevardnadze, in an hour-long meeting with Nakasone, noted that there have been discussions in three separate working groups to prepare for a Japan-Soviet summit between Gorbachev and Prime Minister Noboru Takeshita, Liberal Democratic Party (LDP) sources said.

The three working groups, established by Shevardnadze and his Japanese counterpart Sosuke Uno on Monday, discussed a bilateral territorial dispute, other bilateral problems and regional affairs on Tuesday, according to Japanese Foreign Ministry officials.

the Soviet foreign minister, currently on a four-day visit to Japan through Wednesday, expressed his hope that discussions in working groups would be expanded to cover political, economic, trade and other issues, the LDP sources said.

Nakasone, who was Japan's prime minister for five years until November 1987, asked Shevardnadze to exert Moscow's influence on North Korea so that it will free two Japanese seamen who have been detained there for five years, the sources said.

Shevardnadze promised that he will convey Japan's request to leaders in North Korea, which he will visit after Japan and the Philippines, they said.

Nakasone told Shevardnadze that North Korea has been extremely slow to respond to Japan's initiative for opening nongovernment-level dialogue.

Shevardnadze fell short of responding to Nakasone's demand that the Soviet Union withdraw troops from four small islands off Hokkaido which the Soviet Union seized after World War II, the LDP sources said.

The foreign minister was quoted as saying that Moscow is seriously considering further disarmament, particularly reduction in naval forces, they said.

Earlier in the day, Shevardnadze met with Takeshita and LDP Secretary General Shintaro Abe. He also met Japan Socialist Party Chairwoman Takako Doi later in the day.

Shevardnadze, who held his third and last round of talks with Foreign Minister Uno later in the day, will give a press conference hours before leaving Tokyo for Manila Wednesday.

Further Speculation on Cabinet Changes
*OW1912155188 Tokyo KYODO in English 1453 GMT
19 Dec 88*

[Text] Tokyo, Dec. 19 KYODO—Former Minister of Agriculture, Forestry and Fisheries Tsutomu Hata may return to the post as Prime Minister Noboru Takeshita needs an experienced negotiator to deal with the U.S. on the politically sensitive rice market issue, ruling Liberal Democratic Party (LDP) sources said Monday.

Hata, who held the office under former Premier Yasuhiro Nakasone and now belongs to the Takeshita faction, is being tipped for the post because of his experience in negotiations on beef-orange market liberalization.

He will likely be required to tackle the rice problem which could enter a new phase under next U.S. President George Bush, according to the LDP sources.

They said Takeshita is considering naming former Transport Minister Hiroshi Mitsuzuka of the Abe faction as minister of international trade and industry, but some Takeshita faction members are supporting Ken Harada, chairman of the lower house committee investigating the Recruit insider stock scandal.

Members of the Miyazawa faction are pushing to have a new face appointed as director general of Defense Agency. However, current Director General Kichiro Tazawa will likely remain in the post, they said.

Takeshita said earlier in the day that he will reshuffle the cabinet and the LDP personnel in December, following the close of the present Diet session on December 28.

Takeshita told Masayoshi Ito, chairman of the LDP Executive Council, that he will appoint Tatsuo Murayama as finance minister, and retain the party's three top officials, Shintaro Abe as secretary general, Ito as chairman of the decision making Executive Council, and Michio Watanabe as chairman of the Policy Affairs Research Council.

LDP sources said Takeshita will likely keep Keizo Obuchi as chief cabinet secretary, and Sosuke Uno as foreign minister.

Takeshita is scheduled to meet former Finance Minister Kiichi Miyazawa and former Deputy Premier Shin Kanemaru on Tuesday, as well as Nakasone to make final intra-party changes, they said.

Mongolia

Choybalsan's Party Membership Questioned
OW1612162888 Ulaanbaatar MONTSAME in Russian
1440 GMT 10 Dec 88

[Excerpts] Ulaanbaatar, 10 Dec (MONTSAME)—[Passage omitted] D. Batmonh, a teacher at Ulaanbaatar Secondary School No 72, writes: "Is it right to consider H. Choybalsan a member of the MPRP? He seriously distorted party discipline and has thousands of innocent victims of repression on his conscience." D. Minjur, a worker at the State Printing Combine, requests that the press carry stories not only about highly placed victims of repression, but about ordinary arats as well. [passage omitted]

UNEN reports that, since publication of the MPRP Central Committee Politburo proposal, it alone has received more than 600 proposals which are receiving detailed attention. They are either being published in the press or passed on to the MPRP Central Committee.

Workers Write to Papers on Restructuring
OW2012062588 Ulaanbaatar MONTSAME in English
1720 GMT 19 Dec 88

[Text] Ulaanbaatar, 19 December. (MONTSAME)—The letters from working people continue to arrive at editorial boards of central newspapers. They contain concrete proposals as far as the restructuring of all spheres of social and political life of Mongolia and economic reforms are concerned.

T. Myagmar, party member, writes that it is imperative to make a decision, according to which, Politburo and alternate members, and secretaries of the MPRP Central Committee, who are not competent in their work, should be released from their posts before the term expires on initiative of the masses.

A scientist S. Damdinsuren proposes to radically change the existing baneful methods of economic management, completely solve the problem of huge managerial apparatus and raise, by all means, the human factor. He stands for perfecting the system of training scientific personnel, methods of organizing scientific and research works, steady development of theoretical thinking.

D. Batsuh, PhD economics, raises the problem of solving simple questions by ourselves instead of relying on numerous foreign advisers working in this country. He writes that we have learnt much from our Soviet colleagues. Now it is high time to make our own efforts to realize our possibilities in life.

The people make concrete proposals how to perfect the election system and develop openness in all spheres of public and political life of the country, exposing "white dots" in the history of the Mongolian state.

North Korea

Premier Calls for Talks With U.S., South
SK2012083588 Pyongyang Domestic Service in Korean
0800 GMT 20 Dec 88

[Text] The premier of the DPRK State Administration Council has sent a letter to the prime minister of South Korea.

Comrade Yon Hyong-muk, premier of the DPRK State Administration Council, today sent a letter to the prime minister of South Korea.

Our side's liaison officials delivered the letter to the South Korean side at 1500 today in the conference room of the Neutral Nations Supervisory Commission in Panmunjom.

The letter was sent according to the decision of the joint conference of the DPRK Central People's Committee, the SPA Standing Committee, and the State Administration Council. The letter contains a peace proposal for holding at an early date tripartite talks, in which we, the United States, and South Korea participate, as a step to achieve a solid peace on the Korean peninsula.

Letter Delivery Reported
SK2012101588 Pyongyang KCNA in English
1009 GMT 20 Dec 88

[Text] Pyongyang December 20 (KCNA)—Yon Hyong-muk, premier of the Administration Council of the Democratic People's Republic of Korea, today sent a letter to the "prime minister" of South Korea.

At 3 in the afternoon, the liaison officials of our side handed over the letter to the side of South Korea in the conference room of the Neutral Nations Supervisory Commission in Panmunjom.

The letter was sent according to a decision of a joint meeting of the Central People's Committee, the Standing Committee of the Supreme People's Assembly and the Administration Council of the DPRK held on November 7.

Contained in the letter is a peace proposal for holding as early as possible tripartite talks involving the DPRK, the United States and South Korea, as a measure to realise a durable peace on the Korean peninsula.

U.S. Brings Two B-52 Bombers Into South
SK2012042988 Pyongyang KCNA in English
0425 GMT 20 Dec 88

[“U.S. Imperialists Continue Military Exercises and Espionage”—KCNA headline]

[Text] Pyongyang December 20 (KCNA)—The U.S. imperialist aggressors brought two "B-52" strategic bombers into South Korea from overseas on December

19 to stage a bombing exercise under simulated conditions of a nuclear attack on the northern half of Korea, according to a military source.

These days they have not only conducted patrol and espionage flights against the northern half of Korea by bringing an "E-3a" airborne warning and control plane into South Korea but also committed provocations against the North by letting the strategic reconnaissance plane "U-2" fly in the air above the area along the Military Demarcation Line almost every day.

This shows that the U.S. imperialists in actuality continue aggravating the situation of the Korean peninsula, though they are loud-mouthed about detente and dialogue.

KCNA Carries QNA Report on U.S.-PLO Contact
SK1912233988 Pyongyang KCNA in English
1603 GMT 19 Dec 88

[“Pool” item]

[Text] Tunis, Dec. 18 (QNA) PLO Chairman Yasir 'Arafat has underlined the need for holding the proposed international peace conference to solve the Middle East problem, adding that the U.S.-PLO meeting in Tunisia Friday was a step in the right direction and will be followed by similar meetings in the near future.

'Arafat said that the U.S. and Western Europe have a great responsibility for achieving peace in the Middle East.

'Arafat supported the call of the French Foreign Minister Roland to convene the preparatory committee of the international peace conference at the ministerial level.

Condemning the Israeli repressive practice in the occupied territories 'Arafat said the killing of seven Palestinians yesterday by Israeli soldiers gunfires in Nablus on the West Bank was a new evidence of the Israeli criminal policy and the [words indistinct].

Meanwhile, a member of the PLO team which met Friday with the American ambassador in Tunis has said that the team has explained to 'Arafat the outcome of the meeting.

'Abdullah Hurani said 'Arafat expressed his satisfaction at the outcome of the meeting.

Hurani said, the American ambassador in Tunis, Robert Pelletreau expected the next meeting with the PLO to take place after (?President-Elect) George Bush sits in office next month. However, he did not rule out the possibility of an earlier meeting if necessary, Hurani added.

Hurani said that the Palestinian team explained to the American ambassador that the Israelis were planning to torpedo the U.S.-PLO reproachment.

CPRF Denounces U.S. Stand on Force Accord
SK1912044588 Pyongyang KCNA in English
0437 • MT 20 Dec 88

[Text] Pyongyang December 20 (KCNA)—The Secretariat of the Committee for the Peaceful Reunification of the Fatherland in its Information No. 520 December 19 denounces the crafty act of the U.S. imperialists who distributed to the South Korean press "materials" explaining their socalled "stand" to conceal the aggressive and subjugating nature of South Korea-U.S. "Status of Forces Agreement".

The "agreement" signed in 1966 stipulates that the U.S. imperialist aggression forces are granted to build military bases at places they deem necessary any time in South Korea, the puppet authorities do not have power to punish any U.S. soldier whatever crime he may commit, but the U.S. authorities are to deal with him according to the U.S. law with the first criminal jurisdiction.

According to data of the puppet police headquarters, the crimes committed by the Americans during the eight years from 1980 to the end of June this year numbered more than 8,490 cases. Of which the South Korean authorities "dealt with" only an insignificant number perfunctorily.

The information says:

The U.S. imperialists claim that the "Status of Forces Agreement" grants "privileges" to the U.S. forces which perform "defence duty". This is no more than a ruse to conceal the aggressive and subjugating criminal nature of the "agreement".

The U.S. imperialists claim in the "Status of Forces Agreement" that the U.S. authorities shall deal with the criminals according to the U.S. law with criminal jurisdiction over the crimes of U.S. soldiers. But this is not to lighten the burdens of South Korea, a colony, but to hush up the crimes of U.S. soldiers and patronize the criminals.

All the facts show that the U.S. imperialists are shameless and brazenfaced wretches who stoop to any infamy to "justify" their occupation of South Korea and conceal their true color as an aggressor and occupationist.

Composer Yun I-sang's Orchestral Works Performed
SK1912051488 Pyongyang KCNA in English
0436 GMT 19 Dec 88

[Text] Pyongyang December 19 (KCNA)—A Yun I-sang concert was given at the Moranbong Theatre last evening.

Appreciating the concert were Chang Chol, minister of culture and art, Kim U-chong, vice-director of a department of the Central Committee of the Workers' Party of Korea, other officials concerned, working people and artists in the city.

Several musical works were played at the concert divided into two parts, which was performed by the state symphony orchestra.

The symphonic poem "Kwangju, Forever" composed by Mr. Yun I-sang deeply impressed the audience for its successful depiction of the anti-fascist struggle for democracy of the South Korean people and students.

The performers well represented with refined skill the indomitable stamina and patriotic fighting spirit of the Kwangju resistance fighters who bravely struggled for the independence, democracy and national reunification, and the brutal massacre committed by the fascist hangmen to call forth bitter resentment and hatred from the audience at the U.S. imperialists and the South Korean puppet clique.

The players were acclaimed by the audience when they successfully presented the orchestra "Dance Music" composed by Mr. Yun I-sang and Brahms' Symphony No. 1 by harmoniously combining depictive technique and means inherent to the traditional national music with modern music.

Dismissed Teachers Group Formed in Seoul
SK1712100388 Pyongyang KCNA in English
1000 GMT 17 Dec 88

[Text] Pyongyang December 17 (KCNA)—A committee of the struggle for the reinstatement and restoration of dismissed teachers to their original status was inaugurated in Seoul on December 6, according to a report.

In an inaugural statement, the committee clarified that the number of unreasonably dismissed teachers has reached over 400 since 1980 and demanded the reinstatement of all of them.

The statement demanded that the traitor No Tae-u severely punish officials concerned in the puppet Education Ministry and other offices who took the lead in expelling conscientious teachers from schools.

It appealed to educators to fight to the end for the democratisation of education.

South Students Attack Kwangju Prosecutor's Office
SK2012045588 Pyongyang KCNA in English
0445 GMT 20 Dec 88

[Text] Pyongyang December 20 (KCNA)—Some 300 students in Kwangju, braving repression by the puppet police, threw stones and fire bombs at the building of the local prosecutor's office in Sansu-dong, east district, while staging a demonstration shouting "Arrest Chon Tu-hwan" in front of the office on December 18, according to a radio report from Seoul.

In the fierce attack of the students, over 100 window panes were smashed and some furniture inside the building were burnt.

At noon that day, more than 200 students attacked a police box under the eastern police station in Kwangju and knocked down a policeman of worst type who was leading the suppression.

Delegation Leaves for USSR; Soviets Arrive
SK1912110488 Pyongyang KCNA in English
1040 GMT 19 Dec 88

[Text] Pyongyang December 19 (KCNA)—A Korean educational delegation headed by Pyon Yong-nip, chairman of the Education Commission, left Pyongyang today for a visit to the Soviet Union.

A party workers' delegation of the Communist Party of the Soviet Union headed by Valeriy Belonosov, secretary of Sakhalin Regional Committee of the CPSU, and a delegation of the Union of Soviet Societies of Friendship and Cultural Relations With Foreign Countries and the Soviet-Korean Friendship Society headed by Emud Khodzhayev [name as received], vice-chairman of the Central Committee of the Soviet-Korean Friendship Society arrived here today.

Soviet Military Delegation Arrives
SK2012041988 Pyongyang KCNA in English
0416 GMT 20 Dec 88

[Text] Pyongyang December 20 (KCNA)—A delegation of the personnel of the General Staff of the Soviet Armed Forces led by Colonel General B. Omelichev, deputy chief of the General Staff of the Soviet army, arrived in Pyongyang by air Monday.

It was met at the airport by generals and officers of the Korean People's Army, the Soviet ambassador and military attache in Pyongyang.

Polish Government Delegation Continues Visit

Cho Se-ung Addresses Party
SK1712044088 Pyongyang KCNA in English
0429 GMT 17 Dec 88

[Text] Pyongyang December 17 (KCNA)—The Administration Council gave a party yesterday at the Mansudae Assembly Hall in honour of the Polish Government delegation on a visit to our country.

The party was addressed by Vice-Premier Cho Se-ung.

He referred to the current favorable development of the friendly and cooperative relations between the two countries in all fields.

He said that under the correct leadership of the Polish United Workers' Party headed by respected Comrade Wojciech Jaruzelski the fraternal Polish people are energetically pushing ahead with the work for the balanced development of the economy and increase of its effectiveness in response to the decisions of the tenth congress of the party.

Janusz Patorski, vice-chairman of the Council of Ministers of Poland, who is heading the delegation, spoke next. He expressed thanks for the cordial hospitality accorded his delegation and said the members of his delegation saw the Korean people overflowing with passion from the moment they arrived in Pyongyang yesterday.

The Korean people are displaying this enthusiasm because they are fighting for the prosperity, peace and future of the motherland under the wise guidance of the great leader Comrade Kim Il-song and dear Comrade Kim Chong-il, he noted, and went on:

The Polish visit of the great leader Comrade Kim Il-song and the Korean visit of Comrade Wojciech Jaruzelski were of weighty significance in the development of relations between the two countries.

He expressed the belief that the Korean people would achieve greater success in the fulfilment of the third seven-year plan.

Yon Hyong-muk Meets Group
SK1912111588 Pyongyang KCNA in English
1041 GMT 19 Dec 88

[Text] Pyongyang December 19 (KCNA)—Yon Hyong-muk, premier of the Administration Council, today met and had a friendly talk with the government delegation of the Polish People's Republic headed by Janusz Patorski, vice-chairman of the Council of Ministers of Poland, at the Mansudae Assembly Hall.

Present there were Vice-Premier Cho Se-ung and Polish Ambassador to Korea Mieczyslaw Dedo.

Economic, Scientific Protocol Signed
SK1912111888 Pyongyang KCNA in English
1044 GMT 19 Dec 88

[Text] Pyongyang December 19 (KCNA)—A protocol on the 12th meeting of the inter-governmental economic and scientific-technological consultative committee of the Democratic People's Republic of Korea and the Polish People's Republic was signed here today.

It was signed by Vice-Premier Cho Se-ung and Vice-Chairman of the Council of Ministers Janusz Patorski, head of the Polish Government delegation.

Cho Se-ung Attends Embassy Reception
SK2012044088 Pyongyang KCNA in English
0436 GMT 20 Dec 88

[Text] Pyongyang December 20 (KCNA)—Polish Ambassador to Korea Mieczyslaw Dedo hosted a reception at his embassy Monday upon the conclusion of the Korean visit of the Polish government delegation.

Invited there were Vice-Premier Cho Se-ung and other officials concerned.

Attending there were members of the delegation led by Janusz Patorski, vice-chairman of the Council of Ministers of Poland.

Speeches were made at the reception.

Delegation Departs
SK2012111788 Pyongyang KCNA in English
1026 GMT 20 Dec 88

[Text] Pyongyang December 20 (KCNA)—The government delegation of the Polish People's Republic headed by Janusz Patorski, vice-chairman of the Council of Ministers of Poland, left Pyongyang today after a 5-day visit to Korea.

It was seen off at the airport by Vice-Premier Cho Se-ung and Polish Ambassador here Mieczyslaw Dedo.

During its stay the delegation visited Mangyongdae and toured various parts of Pyongyang and local area.

A protocol of the 12th meeting of the inter-governmental economic and scientific-technological consultative committee of the Democratic People's Republic of Korea and the Polish People's Republic was signed during its visit to Korea.

Mongolian Youth Festival Delegation Arrives
SK1812082688 Pyongyang KCNA in English
0810 GMT 18 Dec 88

[Text] Pyongyang December 18 (KCNA)—A delegation of the Mongolian national preparatory committee for the 13th World Festival of Youth and Students arrived in Pyongyang Saturday.

Kim Il-song Sends Message to Burkinabe Leader
SK1712042488 Pyongyang KCNA in English
0414 GMT 17 Dec 88

[Text] Pyongyang December 17 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, Wednesday sent a message to Blaise Compaore, chairman of the People's Front of Burkina Faso and head of state and

government, in reply to his message of solidarity supporting the new package peace proposals for the independent and peaceful reunification of the country put forward at a joint meeting of the Central People's Committee, the Standing Committee of the Supreme People's Assembly and the Administration Council of the Democratic People's Republic of Korea.

It is, the reply message says, a great encouragement to our people that you in the name of the people, People's Front and revolutionary government of Burkina Faso extended invariable support and solidarity for our efforts to remove the danger of war from the Korean peninsula, ensure peace and achieve national reunification.

The message expresses the belief that the good relations of friendship and cooperation between the two countries will be further strengthened and developed.

Kim Il-song Sends Reply to Benin's Leader
SK1812080588 Pyongyang KCNA in English
0801 GMT 18 Dec 88

[Text] Pyongyang December 18 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, sent a message Wednesday to Mathieu Kerekou, chairman of the Central Committee of the Party of People's Revolution of Benin, president and head of state of the Republic and chairman of the National Executive Council, in reply to his solidarity message supporting the new package peace proposals for the independent and peaceful reunification of the country put forward at a joint meeting of the Central People's Committee, the Standing Committee of the Supreme People's Assembly and the Administration Council of the Democratic People's Republic of Korea.

The reply message says that his solidarity message is a great encouragement to the struggle of the Korean people to achieve the peace and peaceful reunification of Korea against the splittists' "two Koreas" plot. The message expresses the belief that the good relations of friendship and cooperation between the two countries will further strengthen and develop.

Yon Hyong-muk Sends Sympathy Message to Thailand
SK2012042288 Pyongyang KCNA in English 0418 GMT
20 Dec 88

[Text] Pyongyang December 20 (KCNA)—Yon Hyong-muk, premier of the Administration Council, sent a message of sympathy to General Chatchai Chunhawan, prime minister of the Kingdom of Thailand.

The message expresses deep sympathy and consolation to the prime minister, his government, the bereaved families of the victims and population of the disaster area for the heavy losses in human lives and materials caused by a recent flood in the southern area of his country.

It hopes that the Thai people will clear away the consequences of the flood at an early date under the deep care of his government and him.

Yang Hyong-sop Greets Senegalese Counterpart
SK1812081188 Pyongyang KCNA in English
0804 GMT 18 Dec 88

[Text] Pyongyang December 18 (KCNA)—Yang Hyong-sop, chairman of the Standing Committee of the Supreme People's Assembly of the Democratic People's Republic of Korea, sent a message of greetings to Abdul Aziz Undau upon his election as president of the National Assembly of the Republic of Senegal.

Expressing the belief that the friendly and cooperative relations between the two parliaments and peoples will grow stronger and develop, the message wishes him greater success in his responsible work.

Kim Il-song Greets Nigerois Head of State
SK1712102688 Pyongyang KCNA in English
1022 GMT 17 Dec 88

[Text] Pyongyang December 17 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea, on December 15 sent a message of greetings to Ali Saibou, president of the Supreme Military Council and head of state of the Republic of the Niger, on the occasion of the 30th anniversary of the proclamation of the Republic of the Niger.

Saying that a broad avenue has opened for the Niger people to build a new life by the proclamation of the Republic of the Niger, the message notes that today they are striving to consolidate national unity and cohesion and build a developed state under the leadership of the president.

Expressing the belief that the friendly and cooperative relations between the two peoples will grow stronger and develop in the future, the message sincerely wishes the president and his people greater success in the work for the independent development and prosperity of the country.

Dailies Observe National Day
SK1812085288 Pyongyang KCNA in English
0828 GMT 18 Dec 88

[Text] Pyongyang December 18 (KCNA)—NODONG SINMUN and MINJU CHOSON today observe the 30th anniversary of the national day of the Niger.

The Niger people have achieved successes in their endeavours to clear away the consequences of the colonial rule, consolidate the national independence and build a new life after the proclamation of the Republic, a signed article of NODONG SINMUN says, and goes on:

Externally, the Niger Government is striving to develop the cooperative relations with non-aligned and developing countries.

The Korean people sincerely rejoice over the achievements of the Niger people in the building of a new society.

The Democratic People's Republic of Korea established diplomatic relations at ambassadorial level with the Niger in September 1974.

The understanding between the two peoples have been further deepened afterwards.

The Korean people will, in the future, too, as in the past, will make active efforts to develop the friendly and cooperative relations between the two countries in conformity with the idea of independence, peace and friendship.

A signed article of MINJU CHOSON says that the Korean people wish the Niger people greater success in their struggle for the independent development and prosperity of the country.

Iranian Mining Delegation, Cuban Envoy Arrive
SK2012045188 Pyongyang KCNA in English
0443 GMT 20 Dec 88

[Text] Pyongyang December 20 (KCNA)—An Iranian Government mining and metal industry delegation led by Sayyed Mohammad Reza Ayatollahi, minister of mine and metals of the Islamic Republic of Iran, arrived in Pyongyang Monday.

It was met at the airport by Cho Chang-tok, chairman of the Mining Industry Commission, other officials concerned and Sayyed Mohammadi Reza, Iranian ambassador to Korea.

Juan Jose Leon Vega, newly appointed ambassador e.p. of the Republic of Cuba to Korea, arrived in Pyongyang on the same day.

Film Shown on Centenary of Nehru's Birth
SK2012044388 Pyongyang KCNA in English
0434 GMT 20 Dec 88

[Text] Pyongyang December 20 (KCNA)—A film show was given at the Pyongyang International House of Culture on December 19 on the occasion of the centenary of the birth of Jawaharlal Nehru, who was the first prime minister of India.

Present on invitation were Indian Ambassador to Korea S.S. Gill and his embassy officials.

Chon Yon-ok, vice-chairman of the Committee for Cultural Relations With Foreign Countries and vice-chairman of the Korea-India Friendship Association, other officials concerned and working people in the city attended there.

The attendants saw an Indian feature film.

Socialist Papers Support Peace Proposals
SK1712152488 Pyongyang KCNA in English
1506 GMT 17 Dec 88

[Text] Pyongyang December 17 (KCNA)—Papers of socialist countries recently carried articles in support of the comprehensive peace proposals of the Democratic People's Republic of Korea.

The Romanian paper SCINTEIA TINERETULUI said in an article that the new package peace proposals of the Democratic People's Republic of Korea are realistic and constructive ones to turn the Korean peninsula into a nuclear-free, peace zone without confrontation and realize the ardent desire of the Korean people to reunify the country at the highest level.

The Chinese paper BEIJING DAILY noted in an article that the presence in South Korea of U.S. forces is a stumbling block lying in the way of the reunification of Korea and tripartite talks involving the North of Korea, the United States and South Korea is a constructive proposal to realize arms reduction and the pullout of troops and the relaxation of tension on the Korean peninsula. The GDR paper JUNGE WELT stressed in a commentary that the most urgent problem is to turn the Korean peninsula into a nuclear-free, peace zone and noted that the DPRK's new package peace proposals are just. The Mongolian paper NOVOSTI MONGOLII stressed in an article:

The Mongolian People's Republic considers that the DPRK's new initiatives will exert an affirmative influence on the international situation and open a bright prospect for the Korean people's struggle for the reunification of the country.

The United States and South Korean authorities should seriously approach the initiatives and affirmatively respond to them, stressed the article.

Lebanese CP Supports Principles for Peace
SK1712100988 Pyongyang KCNA in English
1006 GMT 17 Dec 88

[Text] Pyongyang December 17 (KCNA)—The international relations department of the Central Committee of the Lebanese Communist Party made public a statement December 7, which said: After discussing the communique on the joint meeting of the Central People's Committee, the Standing Committee of the Supreme People's Assembly and the Administration Council of the Democratic People's Republic of Korea, we express full support to the four principles for the guarantee of peace, the basis for the guarantee of peace on the Korean peninsula.

It further said:

These peaceful initiatives of the DPRK are constructive ones which will actively contribute to achieving peace on the Korean peninsula and in the world.

The United States which is pursuing a policy of aggression, reinforcing the Armed Forces and maintaining military presence in the Korean peninsula is responsible for the fact that peace and reunification have not been realized in this region.

We will positively support the struggle of the entire Korean people to realize peace on the Korean peninsula on the four principles for the guarantee of peace.

Forum on Youth Festival Held in Pyongyang
SK1712102388 Pyongyang KCNA in English
1015 GMT 17 Dec 88

[“*Pyongyang, City of Festival, Is Focus of World’s Attention*”—KCNA headline]

[Text] Pyongyang December 17 (KCNA)—A round-table conversation of functionaries of the Korean preparatory committee of the 13th World Festival of Youth and Students and foreign embassy officials took place here Friday.

Officials of the Korean preparatory committee of the festival said that the approaching festival will be a grand international assembly of youth and students from the five continents. The preparations are making a successful progress in Korea and on a global scale, they declared.

The first secretary of the Polish Embassy said that the friendly relations between Poland and Korea have been brought to fuller bloom by the Polish visit of Comrade Kim Il-song, general secretary of the Central Committee of the Workers’ Party of Korea and president of the Democratic People’s Republic of Korea, and by the Korean visit of Comrade Wojciech Jaruzelski, first secretary of the Central Committee of the Polish United Workers’ Party and president of the Council of State of the Polish People’s Republic.

The Polish young people, he said, are dynamically pushing ahead with the preparations for the 13th World Festival of Youth and Students.

He highly estimated the successes gained by the Korean young men and women in socialist construction and the preparations for the festival.

The second secretary of the Algerian Embassy emphasized that Pyongyang, the venue of the 13th World Festival of Youth and Students, is a focus of the world’s attention. He continued:

The Democratic People’s Republic of Korea is the first Asian nation to host the world festival of youth and students.

This festival will not be a mere meeting of the youth and students around the world but be a grand international assembly of broad segments of youth and students from the five continents.

During the festival in Pyongyang the young men and women from the five continents will exchange experiences and discuss problems whose solution mankind wants in the present century and in the future.

Today the preparations for the festival are being briskly promoted on an international scale, to say nothing of Korea, he stressed, and said:

The grand and modern sports and cultural facilities built in Pyongyang in a short time will help successfully ensure the festival.

The Korean people are highly proud of this.

He expressed the belief that the Korean people would host the 13th World Festival of Youth and Students successfully as they held flawlessly the celebrations of the 40th founding anniversary of the DPRK.

Functionaries Urged To Implement WPK Decision
SK1712072688 Pyongyang Domestic Service in Korean
2116 GMT 13 Dec 88

[NODONG SINMUN 14 December editorial: “*Let Functionaries Implement the Decision of the Plenary Meeting With High Revolutionary-Mindedness*”]

[Text] Our people uphold the decision of the 14th plenary meeting of the 6th party Central Committee and are today waging a vigorous struggle to implement it with firm faith and pride. To push ahead successfully with this rewarding struggle, it is more important than anything else for functionaries to work aggressively with high revolutionary-mindedness.

The great leader Comrade Kim Il-song has taught: Revolutionary-mindedness and fighting capability are important dispositions that our functionaries should possess.

Revolutionary-mindedness is not only a high, lofty revolutionary awareness based on a chuche-oriented outlook on the revolution, it is also a resolute revolutionary spirit of devoting one’s all in the struggle to implement the party’s line and policy to the end. Such a revolutionary spirit is an important disposition that functionaries, who have grown up in the bosom of the party and who have taken charge of important revolutionary outposts amid the party’s deep trust, should possess. For this reason, our party demands that functionaries display high revolutionary-mindedness in the struggle to implement the decision of the current plenary meeting.

The 14th plenary meeting of the 6th party Central Committee put forth an important task of effecting an epochal turn in the development of the machine-tool

industry and the electronics and automation industry in conformity with the world's trend of the development of modern science and technology and with the realistic demands of our country's socialist economic construction, which is leaping onto a new, high stage.

The struggle to implement the decision of the plenary meeting is a rewarding struggle to effect new upsurges in production and construction, to realize the overall technological innovation in the national economy, and to bring about a decisive turning point in the struggle for the complete victory of socialism by developing the machine industry onto a higher stage. Victory in this struggle is not certain, however, it is not a simple and easy struggle.

The goal that we should achieve in this struggle is not only very high, but also contains many problems that we should resolve in a short period of time. In particular, not only should we cope with today's circumstance of more unscrupulous war provocation maneuvers and the two Koreas plot of the U.S. imperialists and their stooges, we should also accelerate socialist construction as well as rapidly develop the machine-tool industry and the electronics and automation industry so as to lift it up to the world's level.

Only when all of us display high revolutionary-mindedness and fighting capability and thus work more vigorously in a spirit that causes us to advance rapidly, taking 10 or 100 steps when others take 1, not sparing even a minute or a second, can we successfully implement the decision of the plenary meeting.

Those who should directly organize and command the struggle to implement the plenary meeting's decision, which contains an unprecedentedly high goal despite the complicated situation, are the guiding functionaries who are responsible for this field.

When functionaries in the machine-tool industry and the electronics and automation industry fields and all other functionaries who are related to these fields wage a responsible struggle to implement the plenary meeting's decision with high revolutionary-mindedness and fighting capability, we can then develop our machine-tool industry and electronics and automation industry to a new high level and thus can build a highly modernized and developed economy which is suited to the era of the Workers Party.

Functionaries' revolutionary-mindedness finds expression in organizing and developing their assigned tasks with firm confidence and faith in their mission and with their vigorous fighting spirit. Only those who have firm confidence and faith in their assigned tasks can struggle faithfully to the end to implement the party's decision and instruction under any arduous circumstances, while trusting only the party and the leader.

All functionaries in the machine-tool industry and the electronics and automation industry should devote their all to the struggle to implement their tasks assigned by the party, while firmly believing that only when they advance along the leadership of the party and the leader can they achieve great victory without fail. The foundation and assets that we have already achieved in the machine-tool industry and the electronics and automation industry under the wise leadership of the party are firm and reliable.

Indeed, our machine-tool industry and electronics and automation industry have reached a very high level. The scientific and technological capability and the material and technological foundation with which we can successfully implement the tasks set forth anew by the party have also been firmly provided. Our functionaries and working people should take pride in and be honored by this. If they do, they can carry out all tasks smoothly and with delight under any difficult circumstances.

All functionaries in the machine-tool industry and the electronics and automation industry should organize and develop with certainty the struggle to implement the plenary meeting's decision with the firm faith that the tasks assigned to their units can be developed to the world's level with our own strength and technology no matter how arduous and heavy the tasks of their units may be.

What is also important in the functionaries' display of revolutionary-mindedness is that they carry out the tasks assigned by the party with an attitude befitting the master. Functionaries are the first masters in the economic work in their units. Therefore, they are responsible to the party for the economic work.

The functionaries' sense of responsibility as the master finds expression in the work style of not hesitating to accept any tasks assigned by the party, no matter how difficult they may be, and in earnestly exerting themselves for the implementation of these tasks. All functionaries should have the firm determination to implement the party's plan and the intent of rapidly developing the machine-tool industry and the electronics and automation industry in a responsible manner and should struggle vigorously by concentrating all of their efforts on this.

In particular, functionaries in the fields of the machine-tool industry and the electronics and automation industry should regularize production at a high level by effectively utilizing the already-existing production capacity. With regard to the tasks assigned to them and their units in accelerating the work to create new production capability, functionaries in the fields of the machine-tool industry and the electronics and automation industry should also work hard with the firm stand of being the master and proceeding from the firm determination to responsibly and completely fulfill these tasks.

That functionaries simply issue instructions or give assignments cannot justify that they have performed their responsibilities. Now that a new and heavy task has arisen, functionaries in the fields of the machine-tool industry and the electronics and automation industry must firmly grasp the tasks of strengthening both existing and new production capabilities and should frequently conduct production critiques to establish active measures for increasing production. Thus, they should ensure that all tasks are successful.

Developing the machine-tool industry and the electronics and automation industry is important work related to the national economy's overall development.

All functionaries, including responsible functionaries of relevant domains and units, from committees and ministries of the Administration Council to plants and enterprises, should carry out this work by maintaining the position of playing their role in a responsible and steady manner. They should actively strive to accomplish this work with deep interest.

When such a position and atmosphere are firmly established among functionaries, the rapid development of the machine-tool industry and the electronics and automation industry can be attained according to the party's intention.

Functionaries should assume the iron rule of unconditionally implementing the tasks assigned by the party under any circumstance. Today, when the party has put forward a profound plan to develop the machine-tool industry and the electronics and automation industry, those who substantively implement the plan and are successful can be called men who are loyal to the party and the revolution.

Functionaries, scientists, and technicians in these fields should accomplish the tasks assigned to their units without fail and in a timely manner by waging a devoted struggle and cherishing the sense of absoluteness and unconditionality for the party policy.

Actions are more important than words in implementing the party policy. Functionaries who implement the intention of the party and the leader without deviation, even without announcing their intentions, are genuine loyalists [chungsin].

Functionaries in the machine-tool industry sector and the electronics and automation industry sector should accomplish their works without fail as they have resolved and pledged by displaying lofty revolutionary spirit and loyalty, in the manner of the Sohae lockgate builders.

Displaying a high spirit of self-reliance and arduous struggle is an important demonstration of revolutionary-mindedness and combat capability. All of our party's decisions and directives are the embodiment of the revolutionary position to accelerate the socialist construction with its

own strength by trusting deeply in our people. The decision of the current plenary meeting was made according to such a revolutionary spirit by our people.

Functionaries in the machine-tool industry sector and the electronics and automation industry sector should struggle determinedly and use their own strength to complete the tasks set forth by the plenary meeting.

Favorable conditions are not provided of their own accord. Accomplishing without fail the militant tasks assigned by the party by effecting lofty success, even under unfavorable conditions, and by fully mobilizing what they possess, is the powerful expression of a revolutionary spirit.

Functionaries, scientists, and technicians in the machine-tool industry sector and the electronics and automation industry sector should normalize production at a high level and modernize the production process by overcoming various difficulties and turning unfavorable conditions into favorable ones through their own efforts. Thus, they should epochally increase the production of machine tools, robots, and electronic products.

The role of party organizations is important in encouraging functionaries to organize and command the struggle to implement the decisions of the plenary meeting. Party organizations are assigned a mission of actively helping and leading functionaries so that they can implement the assigned revolutionary tasks with revolutionary-mindedness.

Party organizations at all levels in the machine-tool industry sector and the electronics and automation industry sector should actively stimulate and encourage all functionaries so that they can energetically organize and command the struggle with uncommon determination, decisiveness, and vigorous work spirit in conformity with the current realities that confront important tasks. In particular, party organizations should conduct aggressive political and ideological indoctrination work for all functionaries so that they actively follow the examples of unheralded heroes and effect continuous innovations and advance by cherishing the boundless loyalty to the party, the revolution, the nation, and the people and the sense of devotion and indomitable spirit of struggle.

Indeed, now that we are all making a grand march toward brilliant goals is the time for functionaries in these sectors to fully display the organizational ability and performance capability as a commanding staff of the revolution.

All functionaries should strive to effect an epochal turning point in the development of the machine-tool industry and the electronics and automation industry by always cherishing confidence and optimism and demonstrating high revolutionary-mindedness and combat capability according to the demand of the party that all the people should live and fight like heroes.

Paper on Advantages of Socialist Rural Economy
SK1912101588 Pyongyang KCNA in English
1000 GMT 19 Dec 88

[“Ways To Give Play to Advantages of Socialist System of Rural Economy”—KCNA headline]

[Text] Pyongyang December 19 (KCNA)—NODONG SINMUN today carries a signed article headlined “Ways To Give Play to Advantages of Socialist System of Rural Economy.” It says:

In a number of his works dear Comrade Kim Chong-il expounded from a new angle the advantages of the socialist system of rural economy and gave a lucid elucidation of the ways to give play to them.

Dear Comrade Kim Chong-il said as follows:

“When we advance along the road indicated by the theses on the socialist rural question of our party, we are able to display the advantages of the socialist system of rural economy.”

The socialist system of rural economy is a most advantageous system under which the peasants who were liberated from exploitation and oppression and form a socio-political community together with the working class are masters of rural communities and everything in rural communities serves them.

The bottom principles and basic tasks of building socialist rural communities advanced by the great leader Comrade Kim Il-sung in the rural theses correctly reflect the aspiration and desires of the workers and cooperative farmers to lead an independent and creative life and a lawful demand of the development of socialist rural economy. For this, they surely guarantee dynamically pushing ahead with socialist rural construction, consolidating the socialist system of rural economy and giving full play to its superiority.

The three revolutions are a most important way of cementing socialist system of rural economy and fully displaying its advantages laid down in the rural theses.

The three revolutions, ideological, technical and cultural, set forth in the rural theses make it possible to successfully resolve the problems of developing socialist rural communities and of eradicating the distinctions between town and country and class differences between the working class and peasantry and thus fully display the superiority of socialist system of rural economy. The powerful acceleration of the three revolutions facilitates liquidating the backwardness of rural communities in the ideological, technical and cultural fields and successfully eliminating the differences in the level and condition of ownership, economic management, labour and material and cultural life remaining on its basis.

Improving the guidance and management of cooperative economy as laid down in the rural theses is an important way of consolidating the socialist system of rural economy and giving full display to its advantages.

As dear Comrade Kim Chong-il said, as the cooperative economy is a form of socialist economy based on collective ownership of the means of production, the management commensurate with it should be a management based on collectivist principle.

The management based on the collectivist principle makes it possible to rear the agricultural working people to be genuine masters of socialist cooperative economy, accelerate their revolutionisation and working-classification, increase the direct production relations between industry and agriculture, strengthen the ideological and cultural influence of the working class upon the peasantry, apply better the industry's advanced management of enterprises to the cooperative economy and facilitate the transition of the cooperative economy to public property.

Fully displaying the advantages of the socialist system of rural economy by thoroughly implementing the rural theses is a sure guarantee for eradicating the distinctions between town and country and the differences between the working-class and peasantry, completely solving the rural questions and thus building a classless society and shooting off fireworks of the complete victory of socialism as early as possible.

South Korea

North Said To Favor Quadripartite Talks
SK2012005788 Seoul THE KOREA HERALD in English
20 Dec 88 p 1

[Text] Tokyo (YONHAP)—North Korea seems to be supporting a four-way conference, excluding Japan and the Soviet Union, to discuss the alleviation of tension on the Korean peninsula, the MAINICHI SHIMBUN reported Monday [19 December].

The four are South and North Korea, China and the United States, it said.

Quoting a report made by Prof. John W. Lewis, director of the International Strategic Institute at Stanford University, and G.H. Chang, a research worker at the institute, the newspaper said North Korea is “positively reviewing” the four-nation conference as proposed earlier by former U.S. Secretary of State Henry Kissinger.

Prof. Lewis made the report based on what he discussed with North Korean government officials, scholars and other relevant persons on the Korean peninsula during his visit to Pyongyang for eight days from Oct. 14.

The report, according to MAINICHI, said North Korean officials showed great interest in normalizing relations with the United States and in the proposed visit to North Korea by an American parliamentary delegation.

North Korea wants regular contacts with U.S. diplomats and government officials to discuss matters of bilateral interest, it also said.

North Korean officials, it added, did not mention directly the six-nation conference proposed by South Korean President No Tae-u during his U.N. General Assembly speech last October, but said they are interested in "multilateral" negotiations including those by four countries as proposed early in October by Kissinger.

Official Discounts DPRK Premier's Proposal
SK2012133588 Seoul YONHAP in English
1316 GMT 20 Dec 88

[Text] Seoul, Dec. 20 (YONHAP)—North Korea renewed Tuesday a call for three-way talks among South and North Korea and the United States to discuss the withdrawal of U.S. forces and arms reduction on the Korean peninsula.

In a letter of its Prime Minister Yon Hyong-muk sent to South Korean Prime Minister Kang Yong-hun, North Korea proposed to have a preliminary contact among vice foreign minister-level officials of the three sides in Geneva or some other third country this month.

A South Korean Government official, however, discounted the North Korean proposal as "nothing but a peace offensive aimed at catching up with our active peace efforts," saying that the North Korean proposal has no difference from a similar offer the North made in 1984.

In his letter delivered through the Panmunjom truce village, Yon said the three-way talks should discuss the withdrawal of U.S. troops and arms reduction between South and North Korea to realize the solid peace on the Korean peninsula.

"There is no doubt that the danger of a war will be rooted out if the United States and North Korea sign a peace treaty and South and North Korea adopt a nonaggression declaration," Yon said in the letter.

North Korea has insisted that the United States should sign a peace treaty with it to replace the 1953 armistice agreement, which South Korea did not sign.

Government Approves Plans for North Imports
SK2012020588 Seoul YONHAP in English
0202 GMT 20 Dec 88

[Text] Seoul, Dec. 20 (YONHAP)—The government has decided to approve some domestic trading companies' plans to import anthracite and dried Alaska pollack from North Korea, government sources said Tuesday.

The government decided to allow Ssangyong Corp. and four other trading companies to purchase 470,000 tons of North Korean coal for industrial purposes, sources at the Trade-Industry and Energy-Resources Ministries said.

However, the government, seeking to protect domestic industries, decided not to approve those companies' plans to introduce 150,000 tons of pulverized coal.

The Trade and Industry Ministry was also known to have reached an accord with the fisheries authorities on its bid to approve Samsung Co.'s plan to introduce 1,000 tons of Alaska pollack from North Korea.

With the approval, Ssangyong and other trading companies are expected to arrange for coal to be shipped directly from the North Korean port of Chinnampo to the South Korean port of Inchon, probably by the end of this year, as soon as they conclude contracts through their business partners in Hong Kong.

South Korea has had to import 500,000 tons of coal, more than 70 percent of its annual domestic demand.

Samsung, meanwhile, was reported to have already reached a provisional contract for importing North Korean pollack through its Japanese business partners. The fish shipment is expected to be made directly from Wonsan in North Korea to Pusan, South Korea's largest port.

Red Pepper Exports Considered
SK2012013688 Seoul THE KOREA TIMES in English
20 Dec 88 p 1

[Text] The government is considering directly exporting red pepper to North Korea to stabilize the domestic price declining due to overproduction.

Sources at the Agriculture, Forestry and Fisheries Ministry said yesterday that Pyongyang has expressed its intention, through a Japanese trading firm, to import 5,000 to 10,000 tons of red pepper from Korea.

While encouraging private companies to export red pepper to the north through third countries, the government sounded out the possibility of direct export, according to the sources.

Pyongyang was reported to be reacting positively to the proposal by Korean firms to export red pepper at the international price level.

In case of exports at the international price, Korea will suffer billions of won in deficit. However, the government is poised to export the farm product to the country to curb the domestic price drop, the sources said.

Meanwhile, the red pepper is now priced at \$950-\$1,000 per ton.

Firm Seeks To Import Gold
SK1912014388 Seoul YONHAP in English
0138 GMT 19 Dec 88

[Text] Seoul, Dec. 19 (YONHAP)—A leading South Korean general trading company is seeking the import of 1,500 kilograms of gold from North Korea, a business source said Monday.

"The general trading company is hoping to realize the import of 1.5 tons of gold worth some 25 million dollars from North Korea," the source said.

The source, however, refused to identify the company.

South Korea imports 1.5 tons of gold from the United States and other countries a year, and as recently announced by the government, a trading company which introduces goods from North Korea is dispensing with a 20 percent customs duty, recognizing inter-Korean business transactions as internal dealings.

"From next year, the rate of the excise tax for gold will be lowered to 10 percent from the present 30 percent, and gold imports from North Korea may increase as the domestic need for gold rises due to its lowered price," the source said.

South Korea consumes some 15 tons of gold a year.

The trading company which is seeking the import of North Korean gold wishes to engage in a barter arrangement trading the gold for electronic products such as color television sets or refrigerators, the source said. He added, however, that the company does not oppose paying in cash.

Daewoo Plans Gold Imports
SK2012013988 Seoul THE KOREA TIMES in English
20 Dec 88 p 6

[Text] The Daewoo group plans to import gold from North Korea.

According to business circles, Daewoo is now negotiating with North Korean authorities to import 1,500 tons of gold from the north.

At present, the nation annually imports 1,500 tons of gold from the United States and other free countries, while it consumes 15,000 tons of gold.

It was reported that Daewoo plans to export electronic products such as refrigerators and color TV to the north in exchange for the import of gold.

The import of gold from North Korea will be free from customs duties as it is treated as internal trade, even though Seoul maintains no diplomatic relations with Pyongyang.

Prime Minister Makes Statement on Prisoners

Preview of Announcement
SK2012010488 Seoul THE KOREA HERALD in English
20 Dec 88 p 1

[Text] The government is expected to free all "political prisoners" and restore their civil rights tomorrow.

The civil rights of other former political dissidents who have already been released are to be restored. They will include Kim Kun-tae, recipient of the Robert Kennedy Human Rights Award, and Yi Sin-pom.

Commuting of the terms of convicts is also expected.

A government officials said yesterday that a special cabinet meeting will be held today to approve the leniency measures.

The political prisoners to be released include those imprisoned on charges of violating the National Security Law, sources said.

Following the cabinet meeting, Prime Minister Kang Yong-hun is expected to make a special statement saying that the pardoning measures are to fulfill a promise for promoting democratization on the basis of national harmony. In the statement, the premier will also explain the government's determination to adhere to strict law enforcement.

Prime Minister Kang informed Kim Chong-pil, president of the opposition New Democratic Republican Party, of the government's plan during his visit to the party headquarters yesterday.

A senior prosecutor has recently revealed that the government will release 257 political prisoners and suspend police searches for political fugitives before the end of this year. He made the disclosure when he visited the main opposition Party for Peace and Democracy last Friday [16 December]. He was sent by the Justice Ministry authorities.

During his meeting with NDRP leader Kim yesterday, premier Kang said that the government will enforce the law strictly to ensure public order.

Responding to Kang's remarks, Kim stressed the need for strict observance of law and social order.

Statement on Release of Prisoners
SK2012033588 Seoul Domestic Service in Korean
0115 GMT 20 Dec 88

[“Special statement” by Prime Minister Kang Yong-hun from the Unified Government Building in Seoul—live]

[Text] Dear fellow countrymen: According to the president's statement issued last 26 November concerning the political situation, the government has decided to take on 21 December 1988 the step of granting not only to political offenders, but also to general criminals—totaling 2,015—special amnesty, commutation of sentences, restoration of civil rights, release, right to request cancellation of custody, and removal of names on wanted lists.

First of all, let me tell you this: This measure, an epochal decision aimed at healing the deep wounds opened in the past era and at a new democratization process, is entirely different from similar past measures.

In the course of taking such a measure, the government has consulted in advance with political parties and reflected their opinions in full in an effort to put an end to the issue of the political offenders, which has long been a subject of political controversy, as was explained in the president's special statement. The government has decided to take the step of granting parole, amnesty, and commutation of prison terms even to antisocial offenders who have deeply repented of their past mistakes and who are willing to abide by the law and order of the state as citizens of the Republic of Korea after going through conversion and rehabilitation. The government has taken into consideration the nature of their crimes, the duration of their prison terms, and their prison record—all reflecting the opinions of the political parties and off-stage figures.

It is only natural that the government cannot free all of the political offenders who have not repented of their past mistakes in view of the need to defend the liberal democratic system, to maintain law and order, and to heed public opinion.

It is an expression of the government's ardent hope to turn this into an opportunity of historical proportions by which all the people in the country will put great national reconciliation into practice in the spirit of harmony and reconciliation for the new democratic development that it has taken such an unprecedentedly large-scale measure of granting amnesty and restoration. The government understands the morale of the police investigators who handle state criminals and public concern about the government's freeing and granting amnesty to even those who have attempted to overthrow the system by the use of force after coming into the bosom of the ROK, no matter how much they may have repented of their past mistakes.

My dear fellow countrymen, I call on you to fully understand the genuine intention of the government as stated.

I would like to stress that this decisive measure is backed by the government's determination to rapidly restore trust in the weakened government authorities and to maintain public order.

Also, I would like to make clear the government's intention to thoroughly and resolutely deal with all descriptions of illegal, destructive acts accompanied by violence, regardless of their cause or slogans, regarding them as acts designed to destroy and rock the democratic Constitution to its core.

I promise the people that the government will do its best to maintain law and order so that all of you can lead your daily lives in peace, free from any form of threat.

I hope for positive cooperation from all of the people in the country.

Thank you.

YONHAP Reports Statement
SK2012074088 Seoul YONHAP in English
0636 GMT 20 Dec 88

[Text] Seoul, Dec. 20 (YONHAP)—Prime Minister Kang Yong-hun said Tuesday that a decision for a full-scale release of political detainees and amnesty for dissidents will be followed by government efforts to restore popular confidence in weakened state power and establish public order.

He also made it plain that his government will cope sternly with violent and unlawful acts which he said could shatter the base of the democratic constitutional system.

In a special statement issued prior to Wednesday's massive release of political detainees and prisoners and restoration of dissidents' civil rights, the prime minister said such an “unprecedented measure” is an expression of the government's aspiration for achieving new democratic developments through national reconciliation and compromise.

The government, as a follow-up measure to President No Tae-u's pledge for bold reform measures for full democratization, decided to free 281 political detainees and prisoners and restore the civil rights of more than 700 dissidents, most of whom were arrested during the authoritarian government of former President Chon Tu-hwan.

No made the pledge in his special statement appealing to the nation to allow a political pardon for Chon, his disgraced predecessor, who went into rural exile as atonement for his misdeeds during his seven-year presidency.

“This measure is far different from those taken in the past because it is aimed at promoting democracy and reconciliation by healing scars of the past,” the prime minister said. “The government eagerly accommodated

the wide range of demands from the opposition on the release and clemency in consideration that controversies over political prisoners, who have been the subject of political debate, should be ended."

Kang said that among the prisoners to be freed are anti-state convicts, including those charged with espionage, adding that his government decided to release them as they repented of their wrongdoing and vowed to be law-abiding citizens.

Kang also reiterated that the government will firmly establish law and order in society.

Among the prominent dissidents to be released Wednesday are Chang Ki-pyu, an activist involved in a massive anti-government demonstration in the western port city of Inchon in 1986, and Kim Hyon-chang and Mun Pu-sik, convicted for arson against the U.S. Cultural Center in Pusan in 1983.

The restoration of civil rights will affect many dissidents and politicians, including Han Hwa-kap and Kim Ok-tu, both aides to opposition leader Kim Tae-chung, and Yi Pu-yong, a former journalist involved in various anti-government activities.

Spokesman Details Release Plans
SK2012093388 Seoul YONHAP in English
0909 GMT 20 Dec 88

[Text] Seoul, Dec. 20 (YONHAP)—The government announced Tuesday that it will release 281 "political detainees" and also suspend police searches for 61 "political fugitives" Wednesday.

The government will also restore the civil rights of 1,581 people who were imprisoned in the past in connection with Korea's turbulent political situation and later released.

The government leniency will include commuting sentences for 92 convicts who were sentenced to death or life imprisonment on charges of anti-state crimes or espionage activities, a spokesman of the Justice Ministry said.

The prosecution will also drop legal action against four opposition lawmakers and 10 other opposition figures in connection with their political activities.

The government measure will be the third of its kind since South Korea began its democratization process in the wake of the June 29, 1987, special declaration by No Tae-u, then chairman of the ruling Democratic Justice Party, which pledged complete democratization of the country.

Major figures to be released include Kim Hyon-chang and Mun Pu-sik, convicted for arson against the U.S. Cultural Center in Pusan in 1982, Kwon Yong-mok, a leader of the labor union at the Hyundai business group, and anti-government student leaders.

Those whose civil rights will be restored include Kim Pyong-o, a former lawmaker; Kim Ok-tu, a close aide to opposition leader Kim Tae-chung; Kim Koun-tae, who led a young movement against former President Chun Tu-hwan's dictatorial regime; and Yi Sin-pum, convicted in connection with the so-called Kim Tae-chung sedition case.

The government will deal sternly with radicals' future actions which are seen as defying the nation's free democratic system, the spokesman said, adding that such a government response will be based on the current public support for maintaining law and order.

The government has no more prisoners to release in connection with political detainees, the spokesman added.

Prime Minister Kang Yong-hun, in a statement following the government announcement, said that the leniency is an epoch-making decision to pave the way for a new democratization process.

"The government discussed the matter with the opposition camp before making its decision and fully accepted the opposition demands," Kang said in the statement.

However, a spokesman of a dissident organization claimed that some of those who were imprisoned for their labor activities or in connection with their struggles for farmers were excluded from the leniency, labeling such alleged exclusion regrettable.

Kim Tae-chung Cited on U.S. Troop Presence
SK2012012688 Seoul THE KOREA HERALD in English
20 Dec 88 p 2

[Excerpt] New York (REUTER)—Despite widespread antagonism toward the U.S., most South Koreans want U.S. troops to remain in the country until peace with North Korea is established, opposition leader Kim Tae-chung.

Kim said he was startled by a survey conducted by his Party for Peace and Democracy in Inchon and Kyonggi Province near Seoul which found under 6 percent of the respondents wanted U.S. troops to be immediately withdrawn.

"We were very much surprised, in view of the extent to which we thought anti-Americanism had spread among our people," he told NEWSWEEK magazine in a recent interview in Seoul released Sunday.

"More than 90 percent of university students have anti-American feelings... From the Kwangju massacre of 1980 on, the Korean people's perception of the United States has changed," Kim said, referring to a 1980 massacre in which South Korean troops backing a military government crushed a civilian uprising.

Kim said many students also resent what they see as a lack of U.S. support of reunification of the Korean peninsula and concessions by the South Korean government to U.S. interests. [passage omitted]

Daily Discusses Reevaluation of U.S. Ties
SK1712082188 Seoul KYONGHYANG SINMUN
in Korean 15 Dec 88 p 2

[Editorial: "ROK-U.S. Relations Amid the New Atmospheric Tide—the Significance of the Argument About the Question of U.S. Troops and Nuclear Arms in South Korea"]

[Text] Our democratization effort being exerted at home is earning various affirmative assessments in the international community. Of these assessments, our attention is drawn by a serious discussion which is under way in the United States for the restudy of ROK-U.S. relations. In particular, it is noteworthy that, prior to the inauguration of the Bush administration, official and private U.S. circles are raising voices demanding that U.S. policy toward Korea be restudied.

Representative Solarz has recently called for the withdrawal of nuclear weapons from Korea. At the same time, Prof Lewis of Stanford University stressed the need to adjust the U.S. Administration's policy commensurate with the change of the situation on the Korean peninsula, and Prof Chase of Columbia University noted the need to adjust the schedules for the transfer of operational command in Korea and the withdrawal of U.S. troops. All these reflect the prevailing U.S. atmosphere for the restudy of U.S. policy on Korea.

As is known, ROK-U.S. relations have been regarded as the most dramatic expression of the U.S. strategic interest in Northeast Asia as well as a symbolic significance of the U.S. Asian policy following the war. The relations have served as a very sensitive factor largely because of their linkage with the international strategic interest of the United States as a superpower and partly because of the regional security issues for the United States and Japan.

What attracts our attention in this connection is that public opinion demanding that ROK-U.S. relations be restudied has begun to grow not only in the United States but also in Korea.

From the days of the Korean war until now, the two countries have maintained relations of special allies and, thanks to such relations, Korea experienced the difficulties of sending its troops to Vietnam and has received the tremendous benefits of economic aid from the United States over the past 43 years.

In addition, politically Korea has adopted the free democratic system and has grown up as a member nation of the capitalist bloc. During the course of this, its national security has been guaranteed through the presence of

U.S. troops and the delegation of operational command. Economically, it has emerged as a trade competitor or partner from being an aid recipient.

This being the situation, Korea and the United States have now come to think about readjusting their relationship or about the need to do so. In other words, ROK-U.S. relations have reached a stage of maturity where they should be restudied.

In retrospect, the main contents of U.S. policy on Korea have been: 1) the maintenance of the division through the deterrence of the outbreak of another war on the Korean peninsula, 2) Korea's national security, 3) the self-reliant national defense of Korea, 4) the maintenance or establishment of a free democratic system in Korea, and 5) the successful democratization toward to this end.

However, it has now become necessary to partially readjust ROK-U.S. relations because of our economic growth and the rise of nationalism on our part.

Accordingly, Korea's new outlook on the United States with regard to the withdrawal of the U.S. troops from Korea, the question of nuclear weapons, the question of transferring operational command, the question of revising the Status of Forces Agreement, and the sentiment created because of the trade war cannot simply be regarded as an emotional matter.

The question is how the two countries, in reality, would promote their political and diplomatic understanding to accept the new development of the situation. What the Washington authorities should not overlook in this connection is that the South Koreans' growing desire for reunification, the political upheaval in the wake of democratization, and the new outlook on the United States established as a result of the economic growth are very important, as is U.S. public opinion calling for the restudy of the U.S. policy on Korea.

It is clear that the cautious restudy of ROK-U.S. relations, the expectations for a new start, and the creation of public opinion have reached a turning point. However, we should be watchful for any sudden change or any change of the relations that will jeopardize Korea's security. Toward this end, the prudent and positive efforts of the peoples and governments of the two countries are urged again and again.

Businessman Arrested for 'Northrop Scandal'
SK1912123688 Seoul YONHAP in English
1213 GMT 19 Dec 88

[Text] Seoul, Dec. 19 (YONHAP)—The prosecution put under arrest Monday a businessman who allegedly received 3.5 million U.S. dollars from Northrop Corp. for lobbying sales of F-20 fighters to the South Korean Government.

The prosecution charged the 57-year-old Yi Min-ha, former chairman of the now-defunct Dongyang Express group and a brother-in-law of former Chief Presidential Bodyguard Pak Chong-kyu who served the late President Pak Chong-hui, of having deposited the money he received twice in 1984 and 1986 from Northrop at a foreign bank.

The prosecution said Pak Chong-kyu, the key figure in what has been called as "Northrop scandal" who died in 1985, had handed over to Yi 2 million dollars from the 6.25 million dollars he allegedly received from Northrop in 1984 on condition that he would promote sales of Northrop's F-20 fighters to South Korea.

Northrop had reportedly disguised the lobbying fund as an investment for a joint venture hotel construction with Asia Culture Travel Development Co., a firm owned by Pak, and deposited the money at the Hong Kong branch of Korea Exchange Bank.

Northrop, however, failed to make the deal after a F-20 fighter crashed in a demonstration flight in South Korea.

The prosecution said Yi received 1.5 million dollars from Northrop in 1986 when he cleared off a sales promotion contract with Northrop.

Under the contract, Northrop had reportedly agreed to pay 55 million dollars to Yi if he would be able to arrange a sale of 200 F-20s, 2 percent of the value of the planes sold.

The prosecution is investigating further into the whereabouts of the rest 3 million dollars Pak received from Northrop, which it suspect to have been used in lobbying the then ranking officials of the Korean Government.

Paper Views 'Open-Door Policy' Toward North
SK1812032588 Seoul **THE KOREA HERALD** in English
18 Dec 88 p 8

[Editorial: "S-N Businessmen's Contacts"]

[Text] Progress is apparent in Seoul's northward open-door policy. Scenes inconceivable only half a year or so ago are now common; exchanges with the East bloc countries, though limited yet in numbers, are no longer the subject of curiosity. Plans for joint ventures are being translated into reality; the report of the Soviets asking south Korea for a \$300 million loan for construction of a furniture factory in Siberia is just the latest such development.

The Seoul Olympiad, surely, must be credited for having lent an impetus to that northern openness. The nation is undertaking all this while experiencing unprecedented progress in democratic reforms. Yet, left unchanged relative to all those changes is Seoul's relationship with

north Korea. The irresponsiveness on Pyongyang's part to the south's repeated offers for reconciliatory and practical contacts is to blame for that impasse.

The latest action, taken this week by Seoul for inter-Korea approaches, was to set administrative steps for firms in dealing with north Korea. Under the measures, local businessmen can visit north Korea or invite their northern counterparts to visit the south by filing applications in three weeks' advance.

It is a procedural step to initiate Seoul's open-door policies toward north Korea. The core is the July 7 declaration of President No Tae-u in which he said that trade between south and north Korea will be regarded as internal. On Oct. 7, a further step was announced to allow local firms to trade with the north.

No reaction has been made by the north to the south's unilateral action. Yet, it is of interest to watch what is happening in the north. Pyongyang has replaced its premier in what was widely seen as a bid to bail north Korea out of its economic dilemma. Presumably, the outgoing premier was held accountable for the north's economic failure.

Certainly, the Pyongyang leadership finds it impossible to get out of the economic quandary without restructuring economic policies and opening society to the outside world. Their professed dogmatic fidelity notwithstanding, they will find it increasingly unavoidable to follow the reform and openness efforts being made by Moscow and Beijing. Their awareness will hopefully lead the north to become responsive to Seoul's positive approach.

Pyongyang will certainly find trade with the south to its good. The south has indirectly imported north Korean products, though of negligible worth, since 1979. And recently, a small quantity of north Korean clams went through south Korean customs clearance with their origin labelled for the first time.

All this can, and should, lead to full-fledged trade, which in the case of inter-Korea transaction will be more advantageous to both sides than deals with other countries because it will be regarded as an internal trade. In that event, both sides will find direct contacts between their businessmen much more convenient and efficient.

The Pyongyang Communists insist on solving political and military issues first, before going onto economic affairs. But before long, they will find it practical to restore mutual trust through economic exchange, which will earn the northern people confidence in their compatriots in the south. Strenuous efforts are required to that end.

It would hurt our self-esteem as a homogenous people if trade were undertaken with all countries but north Korea. Eventually, such an abnormality will not be allowed to persist unless Pyongyang is looking for self-destruction. An anachronistic wayward maverick will find its allies pulling away.

It is important for us to lead Pyongyang to understand that there is no other choice but to be aware of that certain eventuality. They should not be allowed to harbor any illusionary expectation out of miscalculation. Perhaps they are expecting the oft-volatility of our ongoing democratic process to lead to rupturing the south. Such an expectation could tempt them to stay away from realistic inter-Korea contacts.

In this vein, staying solid through democratic harmony will be the way of attracting the north to conciliatory relations for the buildup of coprosperity. A bold approach toward the north should not mean allowing complacency without squarely looking at such stark realities.

Northern Policy 'Success' Reviewed
SK2012005188 Seoul YONHAP in English
0025 GMT 20 Dec 88

[“By Hong Sang-pyo”]

[Text] Seoul, Dec. 20 (YONHAP)—South Korea's diplomacy in 1988 was highlighted by the remarkable success of its “northern policy,” designed to improve relations with socialist countries, and its efforts to open an era of reconciliation and cooperation between the two Koreas.

The diplomatic initiative for improved ties with China, the Soviet Union, and other East bloc countries was boosted by the successful hosting of the Seoul Summer Olympics, which provided substantial momentum for South Korea to upgrade its international status and image.

The Seoul games were held from Sept. 17-Oct. 2 with a record 161 countries participating, including most communist countries. South Korea has no diplomatic relations with communist nations.

The government of President No Tae-u launched the diplomatic initiative in a bid to ease tensions on the Korean peninsula by improving relations with communist countries and to lay the groundwork for reunification of the divided country.

The president, in his special declaration on July 7, 1988, titled “In the Interest of National Self-Esteem, Unification and Prosperity,” clarified the government's position on South-North Korean relations.

No's six-point initiative, which was construed as a diplomatic blueprint of the new republic succeeding authoritarian President Chon Tu-hwan, was divided into two categories—an overture to promote human and material exchanges between the two Koreas and the unilateral implementation of appeasement policies toward North Korea.

The presidential statement is roughly aimed at inducing the Pyongyang government to become a responsible member of the world community and to bring it out of its self-isolation. This also means the end of the Seoul government's containment policy against the North, a halt to mutual enmity, and working together as a single ethnic community.

The gist of the declaration included: inter-Korean human exchanges and free visits by overseas Korean residents to South and North Korea; exchanges of mail and mutual visits between dispersed family members; trade between the two Koreas as domestic transactions; permission for trade in non-military goods between Pyongyang and Seoul's allies; termination of counterproductive and competitive diplomacy; and cooperation in Pyongyang's move to improve relations with the United States and Japan.

The special declaration seemed to have resulted from the government's belief that both the international and external situations have compelled the popularly-elected government to make some drastic changes in its inter-Korean policy. Keeping abreast with South Korea's democratization pace, a growing demand, notably among the younger generations including students, has existed calling for invigoration of the unification debate and a positive government approach toward South-North rapprochement.

No urged that North Korea positively respond to the measures outlined in his declaration and expressed hope that the declaration would serve to open a new chapter in the development of inter-Korean relations and eventually lead to reunification of the divided peninsula.

Following No's overture for improved relations with communist nations, South Korea agreed on Sept. 13 with Hungary to exchange permanent missions in each other's capital. The accord came four days before the opening of the Seoul Olympics, which marked the first time since the 1976 Montreal games that the East and West met together in a summer olympiad.

The agreement was regarded as a major breakthrough in Seoul's efforts to improve relations with East bloc countries.

Following the agreement, South Korea established its permanent mission in Budapest in October and Hungary set up its permanent mission in Seoul in December. The two countries will soon begin negotiations for the establishment of full diplomatic relations.

It is widely expected that the exchange of permanent missions with Hungary will be followed by similar moves by other East European countries, which have already promoted trade relations with Seoul.

As for inter-Korean talks, Seoul and Pyongyang resumed in August the suspended preparatory contacts for a full-dress South-North Korean parliamentary session to discuss reunification of the peninsula. The South-North Korean contacts have yet to make significant progress for the full-dress parliamentary talks.

However, resumption of the South-North Korean dialogues, which had been suspended for two and a half years, was very significant in that it marked a prelude to easing tensions and ending mistrust between the divided halves before heralding the way to reunification.

In addition to the ongoing preliminary talks on a full-dress meeting of inter-Korean lawmakers, North Korea recently proposed high-level political and military talks and South Korea hinted its willingness to accept Pyongyang's proposal.

The South Korean Government, as a follow-up step to the presidential initiative, announced a series of measures designed to promote exchanges in various sectors, including personnel, trade and materials.

Seoul and Pyongyang have so far held seven rounds of preliminary talks on the proposed plenary inter-Korean parliamentarian meeting and are expected to reach an agreement in the near future to hold the meeting.

Analysts here said that if the South-North Korean parliamentarian meeting is realized, inter-Korean relations would enter a new phase which could help ease tension and maintain peace on the divided peninsula.

In line with his bold diplomatic initiative to improve South-North Korean ties, President No proposed in an address at the United Nations General Assembly on Oct. 18 that a six-nation consultative conference be held to discuss ways to maintain peace on the Korean peninsula. The six nations are South and North Korea, the United States, Japan, China and the Soviet Union.

No was apparently responding to Soviet President Mikhail Gorbachev's proposal for a meeting among the Soviet Union, China, Japan and South and North Korea on reducing naval and air forces in the Asian and Pacific region.

No said the conference would certainly create an international environment more conducive to peace in Korea and reunification of the peninsula as Korean security cannot be discussed in total isolation from surrounding nations.

No also reiterated his readiness to travel to Pyongyang and meet with his North Korean counterpart Kim Il-song and discuss all pending issues, while offering a unilateral declaration for renouncing the use of force even before a mutual non-aggression accord.

But the countries directly involved in security on the Korean peninsula have not shown a positive response to the proposed consultative conference for peace in Northeast Asia.

The six-nation conference might prove to be an important means to bring the isolationist North Korea into the international community, toning down and maturing its orientation and behavior, the analysts said.

They said the No proposal also signified Seoul's willingness to move beyond the old barriers of politics and ideology in pursuit of a new regional order, as well as stability and peace.

Despite Seoul's open-minded steps toward improved inter-Korean relations and reducing tension on the divided peninsula, the analysts, noting that Pyongyang has not taken a clear stand on the summit proposal by President No and other related issues, said that the North has not made a basic change in its attitude toward the South.

In this context, it is hardly expected that Seoul and Pyongyang will speedily attain a major breakthrough in the ongoing South-North dialogues and other aspects of inter-Korean relations, the analysts forecast.

North Korean National Arrives in Seoul
SK2012023988 Seoul YONHAP in English
0231 GMT 20 Dec 88

[Text] Seoul, Dec. 20 (YONHAP)—A North Korean woman has entered South Korea with a travel certificate, issued to her by the South Korean Government, marking the first such visit by a North Korean national, a business source said Tuesday.

Han Yong-suk, 45, who lives in Fuzhou, Fujian Province, China, arrived Monday afternoon at Seoul's Kimpo International Airport via Hong Kong.

Han's trip to Seoul was made possible by Daewoo, a South Korean general trading company. Daewoo runs a joint-venture company in Fuzhou.

Han works as a cook at the joint-venture company which manufactures refrigerators and makes Korean dishes such as kimchi for some 30 South Korean engineers, according to the source.

Han was born in Shanghai of North Korean parents living in China. When she reached full legal age, she chose to register her nationality as North Korean in accordance with her parents' nationality.

Han has an overseas resident certificate issued by North Korea's Embassy in Beijing.

She married a Chinese national in 1963 and has two sons. However, she still retains her North Korean nationality.

Officials at Daewoo, which invited Han to Seoul, confirmed her arrival here Monday. However, they refused to elaborate on her trip to Seoul including her itinerary.

50 Tons of Relief Supplies Sent to Armenia
SK2012014588 Seoul *THE KOREA TIMES* in English
20 Dec 88 p 3

[Text] Some 50 tons of relief goods including blankets and emergency medical equipment were sent to the people stricken by the earthquake yesterday morning aboard a Korean Air (KAL) Boeing 747 special flight.

According to a Korea National Red Cross (KNRC) spokesman, the KNRC decided to send the relief goods in an effort to relieve the plight of the people in Armenia taking a humanitarian viewpoint.

Hyundai Mission To Visit Soviet Union
SK20120150 Seoul *THE KOREA HERALD* in English
20 Dec 88

[From the "Business News Briefs" column: "Hyundai Mission To Visit Moscow"]

[Text] A five-man mission of the Hyundai Business Group, will visit Moscow Jan. 7-12 next year at the invitation of the Soviet Chamber of Commerce and Industry, sources at Hyundai said yesterday.

While there, the Hyundai mission will discuss with the Soviet side on Hyundai's participation in the Siberian development projects and the construction of its motor plant in the Soviet Union.

Among the mission members will be Yi Myong-pak, chairman of Hyundai Engineering and Construction Co., they said.

Original Labels on Communist Products Allowed
SK1712005488 Seoul *THE KOREA TIMES*
in English 17 Dec 88 p 6

[Text] Products imported from Communist countries with the labels of their origins attached are allowed to be sold on the domestic market.

The Trade-Industry Ministry announced yesterday that commodities imported from Communist countries would be sold on the market without removing the labels of their origins.

The step is designed to facilitate economic and trade relations with Communist countries as the government is now pursuing the expansion of trade with them.

The nation maintains no diplomatic relations with any Communist country.

At present, products imported from Communist countries attached with the labels of their origins are completely prohibited from being sold on the market.

As a result, the removal of such labels has conspicuously delayed the import of products from Communist countries, thus inflicting an additional financial burden on their importers.

However, the government will remove illegal and subversive inscriptions on the packing papers of products originating from Communist countries before their import.

The nation's imports from Communist countries amounted to \$1,349 million in the first 10 months of this year, compared with the \$1,063 million recorded in the whole period of last year.

Agreement on Container Shipping Route With PRC
SK1712031688 Seoul *YONHAP* in English
0254 GMT 17 Dec 88

[Text] Seoul, Dec. 17 (YONHAP)—South Korea and China have tentatively agreed to open a regular container shipping route in February directly linking ports of the two countries, officials at the Korea Maritime and Port Administration (KMPA) said Saturday.

The opening of conventional and car-ferry shipping services are also likely following establishment of the container route, the officials said.

The two countries reached the agreement when a Korean task force comprising government and private business officials visited China from Nov. 29-Dec. 15 for talks with officials from the China National Foreign Trade Transportation Corporation (Sinotrans) and China Ocean Shipping Company (COSCO).

The proposed container route will link Inchon, located 30 kilometers west of Seoul, and Tianjin and Shanghai, the officials said.

Sinotrans and three Korean shipping companies are expected to jointly invest and operate the container services.

The opening of a car-ferry shipping route will soon follow, if freer, and brisker exchanges of tourists between Seoul and Beijing result, they said.

Companies To Aid in Port Expansions
SK1912073588 Seoul YONHAP in English
0647 GMT 19 Dec 88

[Text] Seoul, Dec. 19 (YONHAP)—South Korean companies will participate in the expansion of loading and unloading facilities and dredging works in Chinese ports next year, business sources said over the weekend.

Three leading business groups—Samsung, Hanjin and Ssangyong—plan to take part in such projects at three Chinese ports—Shanghai, Qingtao and Dairen—in a bid to expand container trade with China, according to the sources.

The decision for such participation came during a meeting among officials of the groups and Liu Zhu, vice president of the China Ocean Shipping Company (COSCO), visiting here at the invitation of Hanjin group Chairman Cho Chung-hun, the sources said.

Hanjin and Ssangyong agreed with COSCO that their respective affiliates Hanil Development Co. and Ssangyong Construction Co. will participate in the construction of stevedoring facilities and container storage, and dredging projects in the three ports.

Samsung, in discussions with the five-member COSCO delegation, agreed that its affiliates Samsung Construction Co. and Samsung Co. will participate in the construction of roads for the ports, joint venture container manufacturing and inland transport businesses, according to the sources.

The expansion of port facilities is urgent in China as the three ports are not seen as adequate to serve as trading ports due to their poor equipment and shallow water despite China's policy of opening its economy.

China has pushed ahead with the expansion of port facilities in Shandong and Liaoning Provinces in an effort to boost trade with Korea, sources said.

Daewoo, Chinese Firm To Produce Steel
SK1912091788 Seoul YONHAP in English
0859 GMT 19 Dec 88

[Text] Hong Kong, Dec. 19 (YONHAP)—South Korea's Daewoo Co., Ltd., has recently signed a contract with China's Shoudou Steel Co. to jointly produce steel pipes, a Hong Kong daily said Monday.

Output will be primarily supplied to the Chinese market with the remainder to be exported to the Middle East and other foreign markets, according to the TA KUNG PAO.

Ye Song-kuk, head of Daewoo's Hong Kong branch, was quoted as saying that Daewoo will supply necessary materials while the Chinese side will produce the pipes at a Shoudou plant in Beijing.

Ye said Daewoo exported 200 million U.S. dollars worth of steel, electronic appliance, auto parts, and chemical ingredients for pharmaceuticals to China to date this year while importing 100 million dollars worth of commodities, mostly raw materials, from China.

Daily Signs Exchange Agreement With XINHUA
SK2012095088 Seoul CHUNGANG ILBO in Korean
19 Dec p 1

[Text] CHUNGANG ILBO has signed a contract with the XINHUA NEWS AGENCY, the only news agency of China, to exchange materials, including photos and news.

The XINHUA NEWS AGENCY is a worldwide news agency with its headquarters in Beijing. It has its branch offices in 99 countries and has 7,000 staffers.

Along with ordinary news-reporting activities, XINHUA is also engaged in the publication of news, cultural magazines, and various yearbooks, as well as in business activities. The agreement between the two companies consists of two documents; one for the reprint of news and the other for the exchange of photos. It was signed on 15 December in Hong Kong at the New China Newspaper Company Ltd., an external window of XINHUA, by Yi Ton-hyong, director of the CHUNGANG ILBO Editorial Bureau, and Zhang Ren, president of the company.

Thus, CHUNGANG ILBO will receive news and photos gathered and covered by XINHUA through wirephoto and telex and will report them almost simultaneously with Beijing. At the same time, photos and other materials offered by CHUNGANG ILBO will also be introduced throughout China and to the world through XINHUA's overseas branches.

This agreement, the first in the history of Korean journalism to be concluded between the Korean and Chinese news media organizations, will be assessed as considerably significant for the development of the two countries, as well as for the cooperation between them.

With this as an opportunity, CHUNGANG ILBO will now no longer depend on third channels, such as the United States and Japan, to report on the open door policy of China and its reality and moves in the political, economic, and social fields, but will give ear directly to the assertions of China and more clearly and correctly report the view and judgment of Korea.

We are convinced that the Chinese reality and change, seen from our perspective, will greatly contribute to the people's understanding of China, as well as to the government establishment of the northward policy and the expansion of the economic exchanges between the two countries.

Firm To Supply SRV With Textile Machinery
SK2012025288 Seoul YONHAP in English
0247 GMT 20 Dec 88

[Text] Seoul, Dec. 20 (OANA-YONHAP)—Kolon International Corp., Ltd., a subsidiary of one of the Korean business conglomerates, contracted with a Vietnamese buying mission to supply 5 million dollars' worth of textile machinery, business sources said Tuesday.

The buying mission, led by Bui Van Long, president of Vietnam's Union of Textile, consisted of eight executives from five textile firms like Textimex.

As an initial step the mission is reportedly known to invest 10 million dollars to replace outdated equipment.

Kolon International shipped 3 million dollars' textile machinery along with raw materials to Vietnam last year.

Contracts With Indonesian Firm on Gas Venture
SK1912074488 Seoul YONHAP in English
0652 GMT 19 Dec 88

[Text] Seoul, Dec. 19 (YONHAP)—A South Korean oil exploration firm signed on Monday joint-venture contracts with an Indonesian company for natural gas development in West Madura, Indonesia.

The contracts were signed between Choi Gye-wol, president of Korea's Kodeco Energy Co. Ltd., and Sjafan Joesoef, managing director of Pt. Gunanusa Utama Fabricators, in a ceremony at Seoul's Ramada Renaissance Hotel.

The ceremony was also attended by officials of Britain's Northsea Services Ltd., which provided a 70.6 million U.S. dollar loan for the gas field development.

Under the contracts, Pt. Gunanusa will install production facilities including platforms with the 70.6 million-dollar loan. The loan extended by the British company will be repayable in seven years from the beginning of gas production, a Kodeco official said.

The Korean side will provide 25 million dollars for drilling a test well and operational expenditures to be used until the production of gas begins on West Madura, the official said.

The two firms hope to produce an average 40 million cubic feet of natural gas per day on a West Madura block from July 1989.

The Korean Government will provide 20 million dollars in loans to Kodeco for its investment in the Indonesian gas field, the official said.

Chon, Choe May Offer Written Testimony
SK2012011788 Seoul THE KOREA TIMES in English
20 Dec 88 p 2

[Text] Former presidents Choe Kyu-ha and Chon Tuhwan have hinted that they may offer written testimonies or hold personal interviews with lawmakers to help them bring to light the truth behind the 1980 Kwangju turmoil.

But they indicated strong opposition against appearing before the Assembly panel as witnesses.

In a letter to the Assembly, former president Chon Tuhwan said his appearance at the special panel is feared to fan inter-party political squabble and confrontation, and expressed hope that the panel devise the best possible method so that he can be of any help to the panel.

Chon said in the letter that he and his deputy shall exchange frank dialogue and consultation with members of the special panel.

Kwangju Panel Hears Former Martial Law Chief
SK2012010988 Seoul THE KOREA HERALD in English
20 Dec 88 pp 1, 4

[Text] U.S. reinforcements were rushed here from the Philippines and Guam during the Kwangju incident because of fear of a North Korean attack, then martial law commander Yi Hui-song testified yesterday.

The Korean government asked for the reinforcements because it was afraid that if the military operation to end the civilian "revolt" failed, Kim Il-song would attack the south, Yi told a legislative panel probing the incident.

Military action to end the civilian siege was originally scheduled for May 25 but had to be postponed because the U.S. navy didn't arrive until two days later, Yi said.

The legislative hearing, which will last through Wednesday, is investigating the cause of the bloody incident in which nearly 200 people, mostly civilians, were killed in 1980.

Opposition parties claim the Kwangju incident was a plot by a military junta led by ex-President Chon Tuhwan to pave the way for Chon's rise to power. Three months later, Chon was elected president by an electoral college with the military's backing.

Yi and Ret. Gen. So Chun-yol, who testified later in the day, admitted that the paratroopers' suppression of the uprising at an initial stage was rather "excessive" and that the excessive suppression aggravated the situation in Kwangju.

Yi said he understands that the Joint Investigative Headquarters, led by Gen. Chon, deployed martial law forces and arrested dissident and opposition leaders before the night of May 17, 1980, when the existing martial law was expanded nationwide.

Yi persistently called the Kwangju citizens' uprising a "revolt," ignoring the recommendation of a presidential commission in March that it be called "a movement for democracy."

It was Yi's second appearance before the legislative panel, he first appeared early December.

The military was trained in suppressing civilian revolts for months before the Kwangju incident because it expected massive civilian protests, Yi testified.

"But the Kwangju incident was completely beyond our expectations. We had never expected that such a tragic incident would happen," Yi said.

He disputed an opposition allegation that the military's excessive use of force aggravated the situation.

"Both sides should take responsibility for the tragic result," Yi said.

It was an extremely charged situation and it eventually led to life-or-death confrontation, Yi said, echoing the view of Chong Ho-yong at a previous hearing early this month. Chong, a ruling party law-maker, was then commander of the Special Warfare Forces, some units of which were largely responsible for controlling the civilian protests.

Yi admitted that he ordered the military to undergo training to control civilian revolts three months before the explosion of the Kwangju incident.

He said he gave the order because the nation was in bitter disorder and there was strong evidence that massive student and other protests would break out within months.

The Dec. 12, 1979, incident Yi said, was an accident in the course of arresting Army Chief of Staff Chong Sung-hwa as a suspected conspirator in the assassination of President Pak Chong-hui 46 days earlier.

Chong, testifying before the panel in late November, said he was taken from his house at gunpoint by soldiers sent by Chon, then commander of the Defense Security Command. He called it a mutiny by a handful of men filled with greed for power.

Yi said the incident was not illegal, but admitted it was a mistake to arrest Chong without President Choe Kyu-ha's approval.

Choe's approval later, Yi said, cleared away legal or other questions on the matter.

Yi said he visited Choe early Dec. 13 to relieve him of worry, "not to force him to approve what had happened the night before."

Yi said that before his departure for Choe's residence, he called Chon to notify him of his route and prevent any inadvertent attack.

Yi said that when he visited Choe, Choe told him he was looking for Defense Minister No Chae-hyon to discuss a solution.

After leaving Choe's place, Yi said, he went to Chon's office at the Defense Security Command to seek his help in locating No.

Yi said that when he arrived at Chon's office, Chon was with many generals, including No Tae-u, Cha Kyu-hon and Yu Hak-song.

When Yi and Chon went to Defense Ministry, Yi said, No was found hiding from the paratroopers who stormed the building the night before from behind an emergency staircase.

On the Kwangju incident, Yi admitted his orders for the troops to fire in self-defense were delivered May 22.

But the military first opened fire on civilian protesters around 1:30 p.m. May 21.

Yi denied soldiers used their weapons before his directive was handed down.

Gen. So, then commander of the martial law forces in the Cholla provinces, said that platoons of the Special Warfare Forces and the Combat Army Education Command mistook each other protesters and exchanged fire on May 24 in Kwangju, killing 17 soldiers.

He said he's willing to take responsibility for the incident.

The incident was caused by a mistake by a liaison officer, he said.

So said he presided over a strategy meeting on May 26 in order to effectively quell the uprising. At that time civilian protesters captured the provincial office building in Kwangju, after the martial law forces retreated to the outskirts of the city.

But he said Gen. Chon Ho-yong did not attend the strategy meeting.

He said 17 citizens were killed on May 27 when the martial law forces stormed Kwangju to recapture the city.

The panel was to hear testimony from ex-President Choe in the morning, but Choe didn't appear.

The panel was scheduled to hear testimony from Chon today, but Chon has notified the panel he will not testify.

Scheduled to testify today are Kim Ok-kil, then education minister; Yu Pyong-hyon, then deputy commander of the ROK-U.S. Combined Forces; and Chong Ung and Kwon Song-man, then commanders of the paratroop brigades dispatched to Kwangju.

Before yesterday's hearing began, opposition panelists called for action to force Chon and Choe to testify.

Mun tong-hwan, chairman of the panel and an opposition lawmaker, said he will give them one more chance to voluntarily testify as the four political parties agreed Saturday.

If they again reject the summons, Mun said, he will issue subpoenas at his own discretion.

Independent lawmaker Pak Chan-chong said that No should act to make the two ex-presidents appear before the panel, to keep his word that he would never allow an exception in clearing bad past legacies.

Poll on Support for RDP Soars After Hearings
SK1912132588 Seoul *CHOSON ILBO* in Korean
18 Dec 88 p 1

[Results of a poll jointly conducted by CHOSON ILBO and Gallup Korea]

[Text] In the wake of such stormy political issues as the recent National Assembly hearings and the call for liquidating the legacy of the Fifth Republic, the degree of public support for the DJP, PPD, RDP, and NDRP and the leaders of the four major parties, No Tae-u, Kim Tae-chung, Kim Yong-sam, and Kim Chong-pil, has shown a great change.

According to the results of a poll jointly conducted by CHOSON ILBO and Gallup Korea on 2 through 4 December among 1,500 people of both sexes over the age of twenty across the country, the degree of support for each party is as follows: 25.0 percent of those polled support the RDP, the highest percentage; while the PPD enjoys 21.2 percent, the DJP 14.6 percent, and the NDRP 11.7 percent.

This is a drastic departure from the results of the first poll jointly conducted by CHOSON ILBO and the Gallup Korea in July 1988 on the same theme. Among the respondents in that poll, 24.1 percent supported the PPD; while 21.1 percent, 17.9 percent, and 15.2 percent supported the DJP, RDP, and NDRP, respectively.

In terms of popularity enjoyed by the leaders of the four major parties, No Tae-u enjoys the most, 28.7 percent, whereas Kim Tae-chung is favored by 23.2 percent, Kim Yong-sam by 15.4, and Kim Chong-pil by 13.3 percent. However, in terms of degree of support for them, the

number of supporters of No Tae-u have declined from the previous 31.3 percent, while that of supporters of the presidents of the opposition parties have grown a little bit, with Kim Tae-chung enjoying 21.7 percent, Kim Yong-sam 12.4, and Kim Chong-pil 13.1 percent.

Concerning the conduct of presidential duty, a majority of the respondents approved of President No's execution of duties as in the first poll. However, the percentage of those who are in the affirmative about his performance has decreased in comparison with the first poll.

Among the respondents to the latest poll, 41.1 percent commented that President No is doing well and 27.0 percent said he is not doing well, while 22.7 percent said that they do not have any opinion about his performance, and the rest 9.2 percent said his performance is average. Of those who viewed President No's performance favorably 18.6 percent cited as their reasoning his democratization; 11.5 percent his continued efforts toward it; and 9.5 percent his effort to liquidate the wrongdoings committed under the Fifth Republic. Of the respondents who viewed his performance in a negative perspective, 27.6 percent cited as their reasoning the unsatisfactory progress in the liquidation of the wrongdoings committed by the Fifth Republic, 14.6 percent view President No's regime as the continuation of the Fifth Republic, and 9.0 percent find it to be indecisive.

Besides these facts, the results of the latest poll show that the majority of the people find political and social stability (25.6 percent), the liquidation of the wrongdoings committed under the Fifth Republic (24.7 percent), stable prices (12.5 percent), and economic development in the rural and fishing community (12.4 percent) as the pressing issues to resolve.

CHOSON ILBO plans to regularly conduct such polls, in league with the Gallup Korea, to determine public support for political parties and their leaders, as with the past two polls using the same method.

Daily Notes Problems in Assembly Investigations
SK1712052588 Seoul *TONG-A ILBO* in Korean
15 Dec 88 p 2

[Editorial: "Problems in Operating Special Committees—Truth Should be Revealed Without Adhering to the Trend of the Times"]

[Text] When will the activities of special committees of the National Assembly to liquidate "the era of denial," when violence, tyranny, denial, and corruption were rampant, conclude?

When the National Assembly with a small ruling party and large opposition parties membership emerged, we called for thorough and rapid work to liquidate the remnants of the Fifth Republic. In accordance with such a national aspiration, the so-called "politics of special committees" took place, and the people's attention has

been concentrated on the activities of special committees on the Kwangju democratization movement and for the Fifth Republic irregularities, the core issues in liquidating the Fifth Republic.

Thus, we cannot but express concern with the situation in which the investigation activities of the two special committees on Kwangju and the irregularities are making little progress.

The special committee on the Fifth Republic irregularities, holding the first plenary meeting on 7 July, began its full-scale activities after adopting 44 major investigation plans. This committee then formed four subcommittees to investigate various irregularities in the economic, human rights, and social sectors, including the irregularities by former president Chon Tu-hwan, his wife, and his relatives. The committee had expressed a firm resolution to conduct a thorough and prompt investigation.

However, today, 6 months since that time, merely offense and defense between the ruling and opposition parties and between interrogators and witnesses are continuing in the Assembly hearings over the irregularities of the Ilhae Foundation, and investigation activities by the special committees on other issues have almost been suspended. The special committee on Kwangju also had an intentional recess on the pretext of the regular Assembly session, and only recently, has it been devoted to plans for the operation of the hearings.

Thus, some people raised critical voices over the fact that in case the investigation activities make little progress, as is the case today, the special committees can hardly accomplish their missions even if they continue investigation activities for the remaining tenure of the 13th National Assembly.

Therefore, we urge the special committee on the Fifth Republic irregularities and its members to examine again the significance of the "special committee" for more efficient investigation activities and for improvement of its method of operation. We hope that the special committee on irregularities carries out the intensive investigation of urgent and particular questions through the positive activities of four subcommittees, according to the original purpose of its formation. Unless the committee carries out simultaneous and multifaceted investigation activities, we can hardly expect it to accomplish its mission rapidly.

Both assemblymen and special committees should avoid such a childish operation of linking their investigation activities with a live television relay. The fact that they are alleviating their resentment, accumulated over the past 8 years, through the live television relay is understandable. However, we would like to point out that such a situation should be a process in probing for the truth through the hearings and that the live television relay itself should not be the core element of the investigation activities.

We would like to see the live relay of the Assembly hearing with the core witnesses, including Mr Chon, promptly realized. However, we urge that the investigation activities with excessive attention paid to the live television relay be discontinued.

Meanwhile, professional manpower from each domain should be urgently mobilized to supplement the insufficient professional knowledge of assemblymen on the issues being discussed and their unskilled interrogation techniques, as was revealed during the hearings of the special committee on the Fifth Republic irregularities.

The sincere attitude of both ruling and opposition parties toward probing the truth is desired. Assemblymen's mere desire for fame should be properly controlled and those responsible for operating the committees should conduct some introspection. In particular, we urge the DJP lawmakers to deeply appreciate the significance of President No Tae-u's remarks at a conference of the key party officials on 14 December and not to give the impression that they are simply wasting time and hindering the probe for truth.

The activities of the Assembly's special committees should be promptly settled and based on this, a new era should begin. We call on the members of special committees to carry out investigations corresponding to the responsibility of the times and to the people's expectations.

Failure To Invoke Probe Rights Into Realignment
SK1812024088 Seoul *THE KOREA TIMES* in English
18 Dec 88 p 2

[Text] The National Assembly failed to invoke its investigative rights to probe the government's realignment of 70 insolvent firms as Kim Tae-chung's Party for Peace and Democracy could not enlist the support of the other three parties.

The largest opposition PPD wanted to submit a bill to the Assembly aimed at invoking the parliamentary investigative rights for a full accounting of what was called an arbitrary restructuring of insolvent firms by the Fifth Republic.

Kim Yong-sam's Reunification Democratic Party and Kim Chong-pil's New Democratic Republican Party withdrew their original plan to invoke the parliamentary right to probe mysterious aspect in the realignment of the insolvent companies. The ruling Democratic Justice Party had been consistent in opposing such an idea.

Political observers speculate that business tycoons who took over many of the insolvent firms under attractive conditions may have lobbied and dissuaded the parties from passing the bill for looking into the process and terms of the realignment of the insolvent firms.

Many business conglomerates have been criticized for taking over many insolvent firms under attractive conditions in return for contributing political funds to the Chon Tu-hwan government. In the course of restructuring the insolvent firms, the government granted various financial and tax favors involving seven trillion won to the firms taking over the 70-odd insolvent enterprises.

Political observers say the Assembly's failure to look into the truth behind the restructuring of the insolvent firms will deepen public suspicion over the Fifth Republic and lawmakers in the Assembly Finance Committee.

PPD Denies Seeking Release of 'Spies'
SK2012012488 Seoul *THE KOREA TIMES* in English
20 Dec 88 p 2

[Text] Kim Tae-chung's Party for Peace and Democracy yesterday denied a report that it plans to recruit as many as 150 of the political prisoners who are likely to be released this week in a government leniency measure. It also denied a report that it is pushing for the release of 19 North Korean spies who are in jail.

PPD spokesman Yi Sang-su said the party has never sought the release of political prisoners out of partisan purposes or for the expansion of the party base, adding that its consistent call for the release of prisoners of conscience has been made from a humanitarian perspective. He said the PPD opposes the release of North Korean spies and Communists.

A vernacular newspaper reported Sunday that the PPD was seeking to recruit hard-line dissidents now in jail to expand its political base while calling for the release of even North Korean spies.

Opposition To Probe Chon Misdeeds 'Indefinitely'
SK1712010488 Seoul *THE KOREA HERALD* in English
17 Dec 88 p 2

[Text] A potentially explosive row looms between the ruling and opposition parties over whether the ongoing parliamentary probe into corruption of ex-President Chon Tu-hwan's administration should continue beyond this year.

The special National Assembly panels investigating the Chon government irregularities should be dissolved with the lapse of the year, the ruling party said yesterday.

The three opposition parties claimed the probe should continue indefinitely till all the allegations against Chon are cleared.

The ruling party will soon try to persuade the opposition parties to drop their opposition to ending the parliamentary investigation at the year-end, DJP floor leader Kim Yun-hwan told reporters yesterday.

"If the opposition-controlled National Assembly panels fail to conclude the probe by the year-end, we may have to boycott the panel activities next year," Kim said.

The ruling party and the government instead plan to make the prosecution complete its investigation at the earliest possible date to put to rest all popular suspicion about the Fifth Republic, said Kim, one of President No Tae-u's most-trusted aides.

No, concurrently president of the ruling party, repeatedly said in recent weeks that the Chon administration problems should be solved at any cost by the year-end so that the nation can start the new year afresh.

Kim also told reporters that it is meaningless to continue the activities of the parliamentary investigation panels because they have no judicial investigation rights.

"It would be a correct course to conclude the parliamentary probe and to leave the unfinished works to the prosecution," the floor leader said.

Giving a negative review of the parliamentary investigation so far, Kim said that opposition parties have used the parliamentary activities to launch political offensives.

The nationally-televised parliamentary hearings, which were watched by millions, in recent weeks, failed to establish the whole truth, Kim said.

"We will talk with the opposition, but if they reject our proposal to the last, we will have to consider a boycott," Kim said.

Opposition parties, rejecting Kim's statement, said that the panels should not be dissolved until the whole truth is determined.

If necessary, they said, the operations of the panels should be changed to boost their investigation efficiency.

One alternative, the three opposition parties said, is to have a National Assembly-appointed special prosecutor continue the panels' investigation.

Kim Tae-chung's hardline Party for Peace and Democracy said that it is impossible for the parliamentary panels to complete their probe by year-end.

"We are considering methods to more efficiently continue the probe," PPD floor leader Kim Won-ki told reporters, "One of them is to appoint a special prosecutor."

Kim said that the decisions were made at a meeting of PPD President Kim Tae-chung and other party leaders yesterday morning at a Seoul hotel.

Echoing the PPD's stance, Kim Yong-sam's Reunification Democratic Party also said that it is impossible to finish the panels' activities by year-end.

"The panels were set up to find out the truth. In that sense it is nonsense that the panels end their investigation before the whole truth is brought to light," an RDP spokesman said.

Kim Chong-pil's moderate New Democratic Republican Party said that it is desirable to end the panels' activities at an early date but it opposed setting a deadline.

The three opposition parties also claimed that the parliamentary investigation will never be complete until Chon and his predecessor Choe Kyu-ha testify.

The National Assembly has summoned Chon and Choe to testify next week before a panel investigating the 1980 Kwangju incident.

Choe indicated that he will reject the summons while Chon has yet to reply.

In line with the ruling party's decision, the prosecution's investigation into the Fifth Republic cases will speed up next week.

A special prosecution task force in charge of the Chon administration corruption has decided to summon Chang Se-tong, Chon's security service chief, and other key figures of the Chon government, early next week.

Chang admitted at parliamentary hearings his abuse of power in involving himself in raising nearly 60 billion won for the Ilhae Foundation during Chon's rule.

Columnist Comments on Party Maneuvering
SK1812025688 Seoul *THE KOREA TIMES*
in English 18 Dec 88 p 2

[“News in Review” by political editor Kim Myong-sik: “Political Scene Remains Active”]

[Text] The first regular session of the 13th National Assembly, perhaps the most tumultuous in decades, is over, but politics is expected to remain active through the depths of winter.

The televised hearings on the 1980 Kwangju turmoil resumes tomorrow with an array of retired officers, involved in the bloody suppression of the “democratic movement” sitting in the witness stand to face harsh accusations rather than simple fact-finding inquiries.

The opposition will keep pressing ex-presidents Chon Tu-hwan and Choe Kyu-ha to appear before the hearing session with the delivery of Assembly warrants carrying threats of criminal penalties.

The focus of political attention, however, is leaving the floors of the Assembly chambers and the dominant theme may be concerned with the basic orientation of the nation's political groups.

Already in the latter part of the 100-day regular session, leaders of political parties mentioned such major subjects as “interim assessment” of the incumbent administration and a “grand union of conservative forces” in growing frequency.

While both the government and opposition sectors exhibited extreme caution in political semantics, they could not help but reveal their preoccupation with a search for a more stable political structure.

Naturally, the ruling camp is more keen about departing from the current instability represented by minority government and majority opposition. But the oppositionists are also aware that the present three-way division cannot be eternal.

When President No Tae-u advised the new staff officers of his Democratic Justice party to seek ways to create a “joint front” with outsiders “for the protection of the system” last Wednesday interpretations ran amok.

Reactions were particularly stirring as the presidential remark came at a time when the government party succeeded in an experimental alliance with a part of the opposition in the passage of the budget.

Besides, arguments over the method of the “interim assessment” had just been started between the leaders of the DJP and the largest opposition party for Peace and Democracy, as to whether it should take the form of a vote of confidence or not.

Newspapers picked up the time-honored Korean political jargon of “grand conservative union” to put the issue in a broader perspective. It certainly is a very comprehensive and convenient cause which none of the existing political forces is ready to deny.

Yet, the government and its party did not want to complicate the situation prematurely by inviting blame that they were seeking to divert public attention from the current imbroglio, over Fifth Republic legacies, to a sudden restructuring of the political arena.

For a party which has just completed, though incompletely in the eyes of the opposition, revamping its hierarchy ostensibly to cut the chains to the past government, it simply was a little too early to initiate a tearing down of political fences.

Therefore, new party officers ranging from chairman Pak Chun-kyu to spokesman Pak Hui-tae came up with anxious denials of any particular significance in the President's call for a joint front, terming it as a plain emphasis on the solidarity of political conservatives.

But oppositionists as well as neutral outsiders were not easily convinced. They pointed to the overall color of the new DJP and cabinet lineups which included such old politicos as chairman Pak Chun-kyu and Transportation Minister Kim Chang-kun, seen as possible bridges to the opposition.

Those watchers thus determined the presidential exhortation as a deliberate message to whet the appetite of whichever opposition group wants to join in an alliance with the government party in the creation of a new political structure.

Its ultimate intention aside, the political gestures from the government camp met contrasting responses from two of the opposition parties in the course of the parliamentary endorsement of the appointment of Prime Minister Kang Yong-hun.

Kim Yong-sam's Reunification Democratic Party, which had originally decided to give consent to the appointment of Kang who has a mixed career as a general, an academician and a diplomat, perceived itself becoming an open target of the alleged "conservative union" move.

Having faced jeers from the rival opposition RDP for its relatively dovish stance, the KDP felt a possible identity crisis. Picking up the premier-designate's old link with the Pak Chong-hui government, the RDP changed its position to deny the endorsement, which did not succeed, however.

The third opposition New Democratic Republican Party, on the other hand, proved its value for any future concept of a coalition, as well as its readiness to join it. NDRP president Kim Chong-pil successfully rallied his colleagues to support the appointment to the great appreciation of the DJP.

In the most complex situation is Kim Tae-chung's PPD, which failed to make both ends meet in the regular session, for its comparatively poor performance in the televised hearing sessions and became isolated from other opposition forces in the budget deliberations.

While it has been blaming the ruling party for the absence of a sincere program for the interim assessment of the No administration, the largest opposition party has yet to formulate a firm strategy about the crucial political issue.

Kim Tae-chung is aware that a demand for a vote of confidence on No Tae-u could be greatly hazardous to his own political future. In the present shape of opposition division, there is no guarantee of success, and a failure in the no-confidence campaign may expedite his exit from the political arena.

Daily Assails Prosecution's Decision on Chon
SK1912130088 Seoul HANGYORE SINMUN
in Korean 17 Dec 88 p 6

[Editorial: "The Investigation of Mr Chon Tu-hwan Should Never Be Given Up Under Any Circumstances—Where Is the Resolve of the New Prosecutor General?"]

[Text] In a newsconference held on 13 December, Kim Ki-chun, the new Prosecutor General, announced that the prosecution intends to form special investigation teams under direct control of the prosecutor general and complete, before the end of this year, the investigations of 19 of the 44 cases handled by the special National Assembly committee dealing with the wrongdoings committed under the Fifth Republic. He also said that the prosecution will allow no exception in investigating the suspects. They will be taken into custody if they are found to be guilty of irregularities, regardless of their social status. He stressed, however, that Mr Chon Tu-hwan will be spared from the investigation, respecting the president's decision to grant the former president political amnesty. What is more, the new prosecutor general made it clear that continuing to take issue with the former president's political acts, such as raising political funds, does not contribute to political stability.

The prosecutor general's press remarks are more than enough for the people to doubt whether the prosecution has the least inclination to advance toward democratization. All the people in the country share the opinion that the prosecution has been a faithful maid and watchdog serving those in power. They hope the prosecution will, though belatedly, extricate itself from those in power and impartially exercise its prosecution rights on its own. In his inaugural speech, the new prosecutor general said: "I am keenly aware of my heavy responsibility rather than honor as the prosecutor general in the face of public hope for the prosecution to emerge as a new prosecution in a new era." He also said that he "has a new resolve to become the embodiment of justice, defender of human rights, spokesman for public interests, and watchdog of the Constitution by cleansing the prosecution of the filthy public image that it is an instrument and a maid serving those in power." In addition, he stressed that he "will become the head of a new prosecution, who fears the estimation and judgment of the people and history, instead of trying to ensure my own position or seek gains."

Now, where is the "hardened resolve" that still rings in our ears? Every one of our people wants to sternly liquidate the Fifth Republic's crimes, irregularities, and mistakes, and on this basis, to build a new democratic era. In the course of making a stern judgment and self-examination, the prosecution faces a great role. Nevertheless, the prosecution said it will not investigate Mr Chon Tu-hwan, the core of the Fifth Republic's irregularities and one that has connections with those currently in power, and, going one step farther, will not punish him. What is this if it does not show that the

prosecution has given up its mission before the times and that it is turning its back on the people? Where can the prosecution find justice, human rights, public interests, and legalism? The prosecution's outdated attitude makes it all the more necessary to institute a special prosecution department and appoint a special prosecutor, as we have called for time after time.

300 Students Attack Kwangju Offices
SK2012014988 Seoul *THE KOREA TIMES* in English
20 Dec 88 p 3

[Text] Kwangju—About 300 students from Chonnam and Choson Universities attacked Kwangju District Court and a police box, throwing firebombs and wielding iron clubs early Sunday.

The surprise attack left some 100 window glasses of the public offices broken. A car parked in front of the prosecutor's office was destroyed.

A police officer on duty was detained for three hours by the student activists.

According to the police, about 100 students staged a demonstration at 10:20 a.m. in front of the prosecutor's building for five minutes calling for the arrest of the former presidential couple and President No Tae-u and then stormed into the Kwangju District Court, hurling 80 Molotov cocktails and stones breaking 65 windows at the first place and 22 windows at the court.

The students then attacked a police outpost in Chisan-dong, kidnapping a police officer on duty.

The students set free the police officer after police authorities promised to free a Choson University student who was captured during the demonstrations.

Veto of Legislation on Purged Officials Planned
SK1812023388 Seoul *THE KOREA TIMES* in English
18 Dec 88 p 2

[Text] The government has threatened to veto special legislation calling for full reinstatement and financial compensation for government employees dismissed in the 1980 purification drive. The bill was passed during the plenary session of the opposition-dominated Assembly yesterday.

The ruling Democratic Justice Party fears the special legislation will cause great confusion in the personnel management and payroll structure in officialdom.

The reinstatement and financial compensation for the purged government employees is a matter that must be handled by the government itself or the judiciary branch, the ruling camp said. The Assembly involvement is unconstitutional as it violates the spirit of the separation of the three powers, it noted.

Under the Constitution, the Chief Executive is responsible for reinstating dismissed government employees and the Assembly involvement infringes upon the entrusted rights of the head of state, the ruling party added.

Chamber of Commerce Employees End Strike
SK2012022188 Seoul *THE KOREA HERALD* in English
20 Dec 88 p 6

[Text] The trade union of the Seoul Chamber of Commerce and Industry yesterday ended their one-month strike.

The union's action followed a general meeting of its members numbering about 200, which decided to discontinue the strike.

The trade union started the strike Nov. 15 demanding a progressive rate for retirement allowances and overall democratic reforms.

A meeting of the Seoul Chamber's standing committee last week decided to partly meet the union's demands.

Government Considers Rescuing Daewoo Shipbuilding
SK1812031788 Seoul *THE KOREA TIMES* in English
18 Dec 88 p 6

[Text] The government has decided to reconsider its plan to rescue the debt-stricken Daewoo Shipbuilding & Heavy Machinery from the start.

The government planned to conclude the bail-out of the shipbuilding company within this month based on the investigation of its financial situation by the Korea Development Bank.

However, the Korea Development Bank, the major creditor of the ailing shipbuilding company, discovered in its probe that the aggregate losses of Daewoo Shipbuilding Heavy machinery was higher than expected.

The bank said that even though the combined losses amounted to some 300 billion won, they did not count a decrease of about 60 billion in paid-in capital for the shipbuilding company.

As a result, the government decided to reconsider its plan for the bail-out of the debt-ridden shipbuilding company across the board.

In particular, the government will persuade the Daewoo group to expand its own funds for the rescue of the shipbuilding company with the disposal of its subsidiaries.

It is determined not to provide financial aids to the ailing shipbuilding company unless the Daewoo group takes more responsibility for the business normalization of its subsidiary shipbuilding company which is now indebted some 900 billion won.

The Daewoo group recently announced that it would pour in some 300 billion won secured from the disposal of its five subsidiaries and the increase of paid-in capital of other subsidiaries for the rescue of the shipbuilding company.

However, it made it clear that it would not dispose of its profitable subsidiaries including Daewoo Securities for the bail-out of the shipbuilding company although the government presses it to do so.

Instead, the Daewoo group called upon the Korea Development Bank to invest an additional 300 billion won in the shipbuilding company, while asking the government to stay the repayment of the remaining debt.

To facilitate the rescue of the shipbuilding company, the National Assembly recently passed an amendment to the Korea Development Bank allowing it to increase its paid-in capital so that the bank can invest in Daewoo Shipbuilding & Heavy Machinery.

The Economic Planning Board and other government economic ministries were scheduled to hold a meeting chaired by Deputy Premier Cho Sun yesterday for the rescue of the debt-stricken shipbuilding company.

But they decided to postpone the meeting to next week after they were informed of the results of the investigation by the Korea Development Bank.

Government authorities emphasized that the Daewoo group should take a more positive attitude for the bail-out of its ailing shipbuilding company such as the disposal of other subsidiaries in addition to the projected five.

FKI Conducts Poll on Market Opening, Economy
SK1912055988 Seoul YONHAP in English
0550 GMT 19 Dec 88

[Text] Seoul, Dec. 19 (YONHAP)—Foreign businesses operating in Korea are generally satisfied with the level of Korea's market opening, a survey conducted by the Federation of Korean Industries (FKI) said Monday.

The survey, however, revealed foreign businesses' judgment that Korea has gradually become a less suitable country for foreigners to invest in because of the rapid changes in Korea's economic environment, including labor disputes and wage hikes.

According to the "Survey on Korea's Economic Environment," 70 percent of the 474 foreign firms surveyed showed satisfaction with the level of Korea's market opening and 62.2 percent were satisfied with Korea's efforts to open its domestic market to foreign countries including offering protection for intellectual property rights.

In a similar poll conducted last year, only 41.5 percent of the respondents expressed satisfaction with Korea's attitude toward domestic market opening.

Of those questioned in this year's survey, 74.1 percent predicted that Korea's economic growth rate will decline slightly over the next several years from this year's estimated 12 percent.

Concerning the tasks facing the Korean economy, 26.9 percent pointed to strengthening export competitiveness and overcoming trade frictions, followed by balanced development of the economy (14.7 percent), a social welfare system and progress in labor relations (13.1 percent) and enhanced overseas economic cooperation.

As for Seoul's relations with communist countries, some 80 percent of the respondents predicted an overall improvement in Seoul's relations with those nations within a year or two, including direct trade, exchanges of trade missions and establishment of formal diplomatic relations.

Of the respondents, 35.3 percent said ASEAN (Association of Southeast Asian Nations) countries are the most promising for new investment, while 27 percent picked China and 20.6 percent Korea.

In last year's survey, 31.4 percent picked Korea as the most suitable country for investment.

Ministry Plans Liberalization of Canned Goods
SK1912071888 Seoul YONHAP in English
0636 GMT 19 Dec 88

[Text] Seoul, Dec. 19 (YONHAP)—Canned goods are viewed as the primary target of the import liberalization, said the Agriculture, Forestry and Fisheries Ministry.

Liberalizing the import of canned goods and beverages is not expected to have a substantial impact on the domestic market.

The ministry's 1989-1991 liberalization program appears to be aimed at appeasing the expected rise in U.S. pressure following the appointment of Clayton Yeutter, U.S. Trade Representative, as agriculture secretary to serve in the incoming government of U.S. President-Elect George Bush.

Yeutter has been considered a hardliner as trade representative.

Since the collapse of a meeting earlier this month in Montreal of the General Agreement on Tariffs and Trade (GATT), the United States has relied on bilateral talks with trade partners in resolving trade issues.

The government, meanwhile, is taking a cautious step in liberalizing the import of flowers, hogs, and staple crops such as rice.

Korea's import liberalization rate was 94.8 percent as of July 1, while that in the agricultural, fisheries, and livestock market was 72.6 percent.

Burma

Plan To Return Students From Border Viewed *BK2012080988 Rangoon Domestic Service in Burmese 0630 GMT 20 Dec 88*

[Text] Due to a request by Chief of Staff General Saw Maung to General Chawalit Yongchayut, commander in chief of the Royal Thai Army, during the latter's visit to Burma, efforts have started to recall the Burmese students at the Burma-Thai border.

According to an agreement reached yesterday, on 19 December, between the Governments of Thailand and Burma, a reception camp for the Burmese students to be run by the Thai and Burmese Red Cross Societies will be set up in Tak.

Students who wish to return will be systematically received and provided medical care. The students received in Tak will then be sent to a transit reception camp in Bangkok from where they will be handed over to the Burmese Embassy.

Plans have been made to fly the students back home by a specially arranged plane from Burma. The two countries have made plans to open the student reception camps effective 21 December.

A Burmese Red Cross delegation headed by [name indistinct] will leave for Thailand on 21 December for coordination with Thai authorities.

Parties Told Actions 'Could Delay' Elections *BK2012101288 Hong Kong AFP in English 0949 GMT 20 Dec 88*

[Text] Rangoon, Dec 20 (AFP)—Bickering among Burmese political parties could delay general elections and force the military government to take action, the state-run press said Tuesday.

The English-language version of THE PEOPLE'S WORKING DAILY reiterated government calls on parties to obey a ban on public gatherings, overnight curfew and a strict warning against criticizing the military.

If parties "politically kill" each other or "openly resort to violence, then the organizations which have to guard and enforce laws will have to take action against them," the newspaper said.

"Otherwise there will be delay in creating conditions for the holding of free and fair elections, and there will come to prevail a chaotic, political, vicious circle in which the conflicts between and among the political parties will go on unchecked and undeterred," the newspaper added.

Some 166 parties have registered for elections since the military seized power in September.

The junta, which has suppressed student-led protests for democracy that shook Burma in mid-1988, has promised to hold multi-party elections after restoring law and order.

The junta has taken no action against any registered political party yet, but official reports have accused some party members of engaging in illegal activities including snap demonstrations and weapons training.

The registered Democracy Party rejected as a "mud-slinging campaign" military accusations in October that it was training students to use weapons.

(Junta representatives later retracted the accusation during a talk with party officials, said informed sources in Pangoon reached from Bangkok.

(In Bangkok, a military supreme command spokesman said the Thai and Burmese chapters of the Red Cross had formed as of Tuesday a reception center for pro-democracy Burmese students who had fled to the Thai-Burmese border.

(The center, set up at an airfield in Thailand's northern Tak Province bordering Burma, was to remain open for one month with Burmese Red Cross workers on the premises, he said.

(Some 10,000 students have fled Rangoon and other major cities to insurgent-held areas seeking shelter and arms training since the coup, Burmese students said on the border last month.)

Some 1,600 students have returned to their homes after fleeing the post-coup crackdown, the Burmese military government said Friday.

Commission Announces Two More Party Platforms

New Life Party *BK2012093088 Rangoon Domestic Service in Burmese 1330 GMT 19 Dec 88*

[Press Release No 162/88 of the Commission for Holding Democratic Multiparty General Elections, dated 19 December—the 11th day of the waxing moon of Nadaw, 1350 Burmese era"]

[Text] 1. The following are the extracts of the objectives and future programs of the New Life Party, which has registered with this Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 29-K, No 1 Bahan Street, Myoma Ward, Bahan Township, Rangoon Division.

2. Aims

- A. To strive for the eternity of friendship, peace, and human rights that are vital requisites for human beings.
- B. To build a fair and genuine Union in accordance with the wishes and desires of all the national people.

- C. To attain friendship and peace, and to work with all the people—workers, peasants, students, and others—toward their full enjoyment of human rights.
- D. To work toward the goal of making the Union stand proudly in the eyes of the world community as an eternally peaceful and developing nation.

3. Programs

- A. To support and encourage people's representatives from the political organizations and parties that are running in the multiparty democratic general elections provided that they love the country selflessly, that they are loyal and work with the interests of the majority—the working people—in mind.
- B. To carry out in any given role the historical tasks assigned to the party by any government, or party, or organization should they be led by people who further the interests of the country and provide equal opportunity without any discrimination to all the national working people depending on the changing political situation.
- C. To achieve national economic development, losses and wastage of natural resources will be prevented and the public, private, and cooperatives sectors will be freely permitted to engage in trade within the framework of law.
- D. To eliminate crime and immoral practices, to establish peace and harmony among fellow humans, and to ensure humanitarianism prevails in accordance with the Burmese culture.
- E. To further the interests of all the workers, peasants, students, and youths within the Union.

League for Peace of Shan Youths
BK2012112688 Rangoon Domestic Service in Burmese 1330 GMT 19 Dec 88

[“Press Release No 161/88 of the Commission for Holding Democratic Multiparty General Elections, dated 19 December—the 11th day of the waxing moon of Nadaw, 1350 Burmese era”]

[Text] 1. The following are the extracts of the objectives and future programs of the League for Peace of Shan State Youths and Students, which has registered with this Commission for Holding Democratic Multiparty General Elections in accordance with the Political Parties Registration Law, and which has its headquarters at No 162, Yehtwet-u Street, Kanshe Ward, Taunggyi, Rangoon Division.

2. Aims

- A. To work toward securing just democratic rights and genuine human rights that are enjoyed by all human beings.
- B. To ensure that all national groups that reside within the Union live in unity and fraternal friendship while equally sharing the benefits.
- C. For the youths and students to follow historical traditions in safeguarding and perpetuating the sovereignty and the Union.
- D. To introduce through phases free and compulsory basic education and to permit pursuance of studies of one's preference at universities and colleges.

- E. To implement an education system of world standards with the aim of fostering intellectuals, intelligentsia, and technicians among youths.

3. Programs

- A. For the students and youths to act as a supplementary force in the establishment of a democratic government that guarantees basic human rights and that is in accordance with the wishes of the majority of the people.
- B. We, the students and youths, will strive to our utmost for peace, prosperity, and advancement in the Union as well as for national unity, for equal rights among national groups, and for the strengthening of the sovereignty and territorial integrity of the Union.
- C. To strive for the development as soon as possible of high technology, vocational education, and modern sciences in accordance with the prevailing times.
- D. To preserve, in accordance with the prevailing times, the cultures and traditions and customs of the nationalities.
- E. To establish friendly contacts and relations with youths and students at home as well as overseas, and to preserve world peace.
- F. An alliance will be formed and cooperation made with any party or organization for the sake of successfully attaining the common objectives.

Brunei, Malaysia & Singapore

Malaysia

Mahathir Expresses 'Confidence' in Economic Policy
BK2012033088 Kuala Lumpur BERITA HARIAN in Malay 30 Nov 88 p 1

[Text] Kuala Lumpur, Tuesday—Datuk Sri Dr Mahathir Mohamed expressed confidence that an agreement will be reached concerning the new national economic policy that will replace the New Economic Policy (NEP), which expires in 1990, even though it will be difficult to satisfy everyone's desires.

The prime minister said, as such, national politics should be coordinated with economic growth and will be more beneficial if taken into consideration.

At the 1988 conference today [29 November] on the country's future prospects, he said, “We can still achieve economic growth and contribute toward political stability because we are aware that it is an important factor in ensuring continued economic development.”

He said the government should also formulate its policies and strategies with greater care by taking into account the current unstable world economic situation, competitiveness, and close connections.

Datuk Sri Dr Mahathir said attention should be focused on efforts to improve economic growth and prosperity in the context of economic restructuring to ensure continued long-term economic growth.

According to him, relative poverty in the country should be kept down, and in fact, poverty should be totally eradicated.

In this connection, he said the new policy should be able to safeguard the position of the underprivileged besides providing them with more employment opportunities.

He said, "The objective of a 30-percent bumiputera [indigenous community] equity in corporate shares and their participation in the commercial and corporate sectors cannot be waived."

Datuk Sri Dr Mahathir also stressed that the new policy should continuously encourage new investments, internally and externally.

He said, "It should also encourage the improvement of productivity through the introduction of new skills besides the transfer of modern technology.

We should be creative and innovative and simultaneously make greater efforts to achieve the goal that was set 19 years ago. I hope all sectors will diligently shoulder their respective responsibilities for achieving that objective."

However, Datuk Sri Dr Mahathir expressed regret because the government's effort to achieve the objective was exposed to extortion by certain parties.

He said, "As such, the government will steadfastly maintain its course and is confident that it will achieve political stability and economic growth. We know that we will be able to do so."

About 200 participants took part in the two-day conference sponsored by the Malaysian Institute of Economic Research (MIER), and 11 working papers were discussed.

Deputy Premier Views Economic Council
BK1912093588 Kuala Lumpur BERNAMA in English 0905 GMT 19 Dec 88

[Text] Kuala Lumpur, Dec 19 (OANA-BERNAMA)—The National Economic Consultative Council being set up to draw up Malaysia's economic policy after 1990 will have 112 members from various races and fields, especially political parties and economic associations.

Announcing this Monday, Deputy Prime Minister Ghafar Baba said offer letters to individuals to sit on the council would go out from today.

"The council's inaugural meeting will be held at the latest by the middle of next month," he told reporters here.

Prime Minister Dr Mahathir Mohamed announced on Sunday the council's formation and said the government would implement the policy decided by the council as the basis for the national economic policy to replace the 20-year New Economic Policy (NEP) which expires in 1990.

Ghafar explained that members of the council would be drawn from political parties including the opposition, chambers of commerce, associations, and economists.

He said the names of the council's members would be made public as soon as they accepted the offer made.

The council will appoint its own chairman and submit a formula for the new policy to be agreed on. It can also call for meetings as often as necessary.

Ghafar said the prime minister would attend the council's first meeting.

Meanwhile, the opposition Democratic Action Party (DAP) hailed the formation of the council, saying it was prepared to sit on the panel.

DAP Acting Secretary General Lee Lam Thye said the government should first explain in detail its terms of reference.

Singapore

Habeas Proceedings for Detainees To Change
BK1912160988 Hong Kong AFP in English 1603 GMT 19 Dec 88

[Text] Singapore, Dec 19 (AFP)—Laws relating to habeas corpus applications on detentions under the Internal Security Act (ISA) will be amended soon to curtail the powers of the courts, according to a statement issued here Monday.

A joint statement from the Ministry of Home Affairs and the Ministry of Law said "legislation will be passed when Parliament convenes in January 1989, and will have retrospective (backdated) effect."

The statement implied that it will either curtail the rights of ISA detainees to challenge the grounds of their detentions or abolish appeals to the Privy Council in London on matters concerning habeas corpus proceedings, analysts said.

The statement pointed out that in a recent case the court of appeal here ruled that, unlike in the past, there are now precedents set by the Privy Council in London that enable the courts to "examine the grounds on which a detention order (under the ISA) is based."

"They (the Privy Council) will examine not only that the detention order was within the legislative powers but also whether the order is reasonable and based on evidence acceptable to the court," the statement said.

The statement added that since the first legislation was passed in 1948 the government had the powers to detain a person without trial under the ISA and the court could not rule on detention orders made for security reasons.

"These settled principles of law have enabled the government to deal effectively with communists, communists and others who posed a threat to security and stability. They remain essential to the security of Singapore," the statement said.

The statement added that because of developments in Britain "the Privy Council in London as Singapore's final appeal's court, can overrule the court of appeal in Singapore."

It pointed out that in the recent judgement the court of appeal in Singapore said it will follow these changes in the British system.

"If Singapore courts review the ministerial discretion in security matters, Singapore judges will in effect become responsible and answerable, for decisions affecting the security of Singapore.

"This was not, and is not, the intention of the legislature expressed in the ISA," the statement added.

"Legislation will be passed when Parliament convenes January 1989, and will have retrospective effect. It will restore the supervisory jurisdiction of the court to what it was before this latest judgement of the court of appeal."

The latest judgement of the appeal court was only 10 days ago when it ordered the release of four detainees held under the ISA on technical grounds.

The appeal court ruled that the detentions under the ISA of lawyers Teo Soh Lung and Kevin de Souza, publisher Wong Souk Yee and lecturer Chng Suan Tze were not in compliance with the ISA as there was no evidence to show that the consent of the president of Singapore was obtained in making out their detention orders.

Minutes after they were freed, all four were re-arrested outside the detention centre and served with fresh detention orders valid for the remaining period of their previous one year detention orders.

The four were among 22 activists detained in May and June 1987 for alleged involvement in a Marxist plot to topple the government. They were conditionally released in September.

But they were re-arrested along with four other ex-detainees last April 19 when they issued a joint statement denying involvement in the Marxist plot and alleging that incriminating statements had been obtained under duress while they were under detention.

They began habeas corpus proceedings, which the high court rejected last August.

A three-judge court of appeal overturned the high court ruling on technical grounds on December 8 and ordered the release of the four. But it did not touch on the grounds of detention, which were challenged by two queen's counsel who represented them in separate actions.

The appeal court however said the courts now have the power to examine the grounds of detention as stated by the Privy Council in London.

Thursday, the four began fresh habeas corpus proceedings, challenging the new detention orders.

Cambodia

Further Reportage on SRV Troop Withdrawal

PRACHEACHON Praises SRV Volunteers

*BK1612071388 Phnom Penh Domestic Service
in Cambodian 2300 GMT 15 Dec 88*

[PRACHEACHON editorial: "The Good Service of the Vietnamese Army Volunteers Lives Forever in the Hearts of Our People"]

[Text] Pursuing the spirit of the agreement reached between the PRK and SRV Governments, in 1988 the 50,000 Vietnamese Army volunteers are continuing to return home.

As stated in the announcement on Vietnamese troop withdrawal on 26 May 1988, since June this year the Vietnamese auxiliary and volunteer units totaling 32,000 men have successfully fulfilled their duties and returned home. In December, six divisions of the Vietnamese volunteer army totaling 18,000 men will return home as scheduled.

In sum, the seventh withdrawal of Vietnamese volunteer army in 1988 is of profound significance and importance. World public opinion has clearly valued the all-round development of the Cambodian revolution, particularly the growth of the KPRAF which is assuming the tasks of defending the border and the motherland, and has praised the Vietnamese friends for their goodwill and noble proletarian internationalism as the heroic people full of sincerity.

Based on the fact that its own forces have become more solid and firm, the PRK's stance and goodwill proposal put forth with an aim to break the deadlock and to seek a peaceful political solution to the Cambodian problem have been increasingly supported and acclaimed by world public opinion of all strata, thus causing the enemy's perfidious maneuvers to use the presence of Vietnamese army volunteers in Cambodia as a pretext to destroy the the Cambodian people's rebirth and the three Indochinese countries—such a hostile act which has caused instability in the region—to be exposed and laid bare in general. It is not right to say that the rebirth of the Cambodian people and the Pol Pot clique's genocidal and ferocious acts against its own people are similarly

dangerous nor it is correct to defame the Vietnamese Army volunteers' assistance which has enabled the Cambodian people to free themselves of the genocidal danger and to expand their forces for national defense as an aggressive act.

The Vietnamese volunteer army's benevolence and great sacrifice for the cause of the Cambodian revolution has been inscribed in gold letters in the history of the Cambodian nation. Not only have the Vietnamese Army volunteers used their lives as the core in saving the Cambodian people from the horrible genocidal danger by the Pol Pot clique but during the past 10 years these noble friends of our people, enduring all kinds of difficulties, have continued to struggle shoulder-to-shoulder with the KPRAF to prevent the genocidal Pol Pot regime from returning to power in Cambodia and have made every efforts to assist the Cambodian people in many other fields to their new life.

Comrade General Secretary Heng Samrin used to say: Whenever there are clothes to wear and laughter to hear, there are always contributions by the Vietnamese friends, by the Vietnamese Army volunteers.

Forever adhering to the CPV's ideals and the good ethics and sincerity of Ho Chi Min's army, the Vietnamese Army volunteers are loved by our people who always miss them after they have departed. This is because all the comrades have always been a warm support for our people.

The last repatriation of the seventh Vietnamese troop withdrawal of 1988 is held at a significant time when the Cambodian revolution must advance toward assuming the burden of the tasks of national defense and construction by itself on the road of struggle to fulfill the strategic goals of the Cambodian revolution. At the same time, the enemies of the Cambodian revolution still cling on to many maneuvers to sabotage the Cambodian revolution. In addition to military force, they have resorted to diplomatic maneuvers making use of the PRK's goodwill to settle the Cambodian conflict through peaceful political means to seize whatever they failed to seize through military means during the past 10 years.

In the face of this situation and in order to express our gratitude to the great, invaluable benevolence of the Vietnamese Army volunteers, our cadres, party members, combatants and entire people must, more than ever before, heighten their sense of mastery, increase spirit of self-reliance, enhance and expand the bond of solidarity, friendship, and cooperation of the three Indochinese countries—Cambodia, Vietnam, and Laos—and consolidate and expand the bond of friendship and cooperation with the Soviet Union and other socialist countries, thus vigorously stimulating the cause of defending and building our country.

We pledge to resolutely strive to take part in the work to strengthen the localities and stimulate the building of genuine revolutionary forces and particularly the KPRAF, thus making them firm both in terms of quantity and quality.

In the current dry season, all of us must pay attention to using the combined forces, combined measures, and combined activities to vigorously stimulate the movement to attack the enemies and root out the planted enemies while vigorously enhancing the proselytization movement, thus continuously increasing our revolution's position of strength and creating more feats to welcome our 10th national day, January 7.

Our people pledge to learn from the noble model of heroism and revolutionary ethics of the Vietnamese Army volunteers by sacrificing everything for the cause of the people and motherland, and to turn their attachment and gratitude toward the Vietnamese Army volunteers into a double effort to successfully implement and fulfill the strategic goals of the revolution.

Out of their sincerity, our people everywhere are sending off the Vietnamese army volunteers with deep feelings of attachment and gratitude and by extending best wishes to them.

The Vietnamese Army volunteers' sacrifice of flesh and blood for the cause of the Cambodian revolution lives immortally in the heart of every Cambodian person.

Tie Banh Bids Divisions Farewell
*BK2012075788 Phnom Penh SPK in French 0550 GMT
20 December 88*

[Text] A farewell ceremony for the Vietnamese volunteers of the 309th and 5th Divisions, in which over 10,000 people of all strata participated, was organized yesterday morning in Kompong Cham.

The function took place under the chairmanship of Comrades Tie Banh, alternate member of the KPRP Central Committee and minister of national defense; Hun Neng, alternate member of the party Central Committee and secretary of the provincial party committee; Oum Both, commander of the PRK Second Military Region; and Hung Kim Chinh and Tran Hong Pham, respectively commanders of the 309th and 5th Divisions.

Ngo Diem, Vietnamese ambassador, and other representatives of the diplomatic corps accredited to Cambodia were also present.

At 1030, the commander of the withdrawal operation took leave of Tie Banh. Then the convoy of the departing Vietnamese troops started out on the National Route 7 through a swarm of people who were waving banners with inscriptions in Cambodian and Vietnamese, shouting slogans wishing them the best of health and bon voyage.

At 1430, the convoy arrived to the frontier check point of Chrak Smach, Kompong Cham Province, where another popular meeting was staged. And at 1500, the first vehicle crossed the frontier.

Joint Party Honors Troops
*BK1912122988 Phnom Penh SPK in English 1120 GMT
19 Dec 88*

[Text] Phnom Penh SPK Dec 19—A party was given in Phnom Penh Saturday evening in honour of the departing Vietnamese volunteer troops.

The party, jointly sponsored by the Central Committee of People's Revolutionary Party of Kampuchea, the Council of Ministers of the People's Republic of Kampuchea and the Ministry of National Defence, was attended by Bou Thang, Politburo member of the P.R.P.K. Central Committee and vice chairman of the Council of Ministers; Tie Banh, candidate member of the P.R.P.K. Central Committee and minister of national defence, and many other senior Kampuchean officers and officials.

Vietnamese Ambassador to Phnom Penh Ngo Dien was present.

Speaking on the occasion, Minister Tie Banh affirmed Kampuchean people and Armed Forces' determination to continue to accomplish all their tasks for national construction and defence.

On behalf of the departing volunteer troops, Colonel Boi Van Mai thanked the Kampuchean people for their warm sentiments towards the Vietnamese servicemen and expressed his belief that the Kampuchean revolution will win final victory.

5th Division Leaves Banteay Meanchey
*BK2012072788 Phnom Penh Domestic Service
in Cambodian 0430 GMT 20 Dec 88*

[Station correspondent's report on 14 December meeting held in Banteay Meanchey Province to send off departing Vietnamese volunteer units of 5th Division]

[Summary] A grand meeting was held in the morning of 14 December in the secondary school of Sereisaophaon District in Banteay Meanchey Province to send off the Vietnamese volunteers of the 5th Division stationed in Banteay Meanchey Province.

"Members of the presidium of the meeting arrived at 0830. Among them were Comrade (Um Sarit), secretary of Banteay Meanchey Provincial Party Committee; Comrade Samrit Seila, commander of the 4th Military Region; Comrade (Nguyen Kanh Linh), representative of Vietnamese 479th Front; Comrade (Nguyen Quang Nga), commander of the 5th Division of the Vietnamese volunteer army; Comrade (Vong Kang), deputy secretary of Banteay Meanchey Provincial Party Committee;

Comrade (Chao Saphon), vice chairman of the provincial People's Revolutionary Committee; Comrade (Koy Taok), commander of the provincial Armed Forces; and Venerable (Sar Hul), head of the provincial clergy."

After Young Pioneers presented bouquets of flowers to the presidium members and the national anthems of the two countries were played, Comrade (Um Sarit) read a speech thanking the repatriating Vietnamese volunteers for helping the Cambodian people; hailing growing Cambodia-Vietnam militant solidarity; and pledging to follow heroic model set by Vietnamese volunteers.

After representatives from various sectors in the province expressed their gratitude to and best wishes for the repatriating Vietnamese comrades in arms, Comrade (Nguyen Quang Nga), commander of the 5th Division, made a reply speech thanking the Cambodian people in the province for creating favorable conditions to enable Vietnamese volunteers to carry out their internationalist duties successfully during the past 10 years, pledging to forever treasure Vietnam-Cambodia solidarity.

After the speech, Comrades (UM Sarit) and (Nguyen Quang Nga) exchanged souvenirs and bid farewell to each other.

"The meeting ended at 1045. The convoy of Vietnamese Army volunteers then began to move along National Highway 6. They will stop over in Preah Net Preah District to wait for the convoy of the 339th Division from Battambang Province which is also being repatriated on the same occasion."

Battambang Sends Off Volunteers
*BK1612092588 Phnom Penh Domestic Service
in Cambodian 0400 GMT 16 Dec 88*

[Station correspondent's report on send-off ceremony in Battambang Province for the repatriating 309th Division of the Vietnamese volunteer army]

[Summary] "Pursuing the agreement reached by the PRK and SRV Governments announced on 26 May 1988 on the seventh withdrawal of 50,000 Vietnamese Army volunteers, including their command and auxiliary units, from 15 December to the end 1988, the repatriation of the last group of Vietnamese Army volunteers to be withdrawn within the framework of this seventh withdrawal is proceeding, with repatriation being achieved via waterways and land routes in different directions. We would now like to describe the scene in Battambang Province regarding the repatriation of the Vietnamese volunteer army's 309th Division of the 479th Front, which has fulfilled with brilliant success its noble proletarian internationalist duty in our beautiful Land of Angkor at the fervent request of the Cambodian people."

Holding the national flags of both countries, girls, boys, and people of all strata, including aged people, walked from all directions to the ceremony site. At 0700, we

arrived at the meeting place in front of the provincial post office. The province Information and Culture Office modern band was playing beautiful songs. About 6,800 people, students, children, soldiers, and security forces of Battambang Province lined up in front of the platform. Boys and girls stood in front of each unit holding banners expressing gratitude to the Vietnamese party, government, people, and volunteers in Khmer and Vietnamese. Meanwhile, five Vietnamese volunteers from the 309th Division holding the flags of their respective units stood in front of the presidium stand.

"At 0745, members of the meeting presidium mounted the honorable platform amid loud applause from all participants. Young Pioneers then presented bouquets to the presidium members, which included Comrade Ung Sami, secretary of the provisional party committee of Battambang Province; Comrade (Tu Than), deputy commander of the repatriating 479th Front of the Vietnamese Volunteer Army; Comrade (Hoang Kim chinh), commander of the repatriating 309th Division of the Vietnamese volunteer army; Comrade Prum Din, chief of the KPRAF's 5th Military Region; Comrade Kong Sun, vice chairman of Battambang Provincial People's Revolutionary Committee; and Comrade (Hien Nhim), chief of Battambang Military Command."

Following the playing of both countries' national anthems and the payment of homage to the souls of male and female combatants and people who have fallen in the cause of national defense and revolution, monks chanted prayers to bless the repatriating Vietnamese Army volunteers.

Speaking on behalf of cadres, party members, the KPRAF, and people of Battambang Province, Comrade Ung Sami, secretary of Battambang Provincial Provisional Party Committee, expressed profound gratitude to the Vietnamese party, government, people, and volunteers, particularly those in the 309th Division, for their assistance to the Cambodian people in building their new life and checking the danger of a recurrence of the genocidal regime. He noted the rapid growth of the KPRAF in the province, and referred to KPRAF combat successes in the 1984-85 dry season.

Later, Comrade Prum Den, chief of the 5th Military Region, and Comrade (Phan Kalin), deputy chief of the KPRAF 5th Military Region, presented 5th Military Region laurel banners to the Vietnamese Volunteer Army units, which have fulfilled their noble proletarian internationalist duties, and an "Apsara" sculpture as a souvenir to the commander of the repatriating 309th Division.

A representative of women in Battambang Province also spoke and presented gifts to the division.

In his reply, Comrade (Hoang Kim Chinh), commander of the repatriating 309th Division of the Vietnamese volunteer army, expressed solidarity with and profound thanks to the party committee and people of Battambang

Province for creating favorable conditions for his division to return home. He also presented a souvenir from the 309th Division to the comrade secretary of Battambang Province's provisional party committee.

After embracing and bidding farewell to each other, the departing troops began to move out through the waving crowd lining the road up to the provincial border of Battambang and Banteay Meanchey.

UN Special Envoy Ends Visit, Departs

*BK1712152588 Phnom Penh SPK in English 1100 GMT
17 Dec 88*

[Text] Phnom Penh SPK December 17—Ahmed Rafiuddin, under secretary of the United Nations, left here Friday afternoon after a two-day visit to Kampuchea.

While here, Ahmed Rafiuddin was received by Hun Sen, Politburo member of the People's Revolutionary Party of Kampuchea Central Committee, chairman of the Council of Ministers and minister for foreign affairs of the People's Republic of Kampuchea.

The two sides had exchanged views on the international and regional situation, especially the search for political solution to the Kampuchean problem.

SPK Reports Thai Border Violation Figures

*BK1912123388 Phnom Penh SPK in English 1119 GMT
19 Dec 88*

[Text] Phnom Penh SPK December 19—In the week ended on Dec. 10, Thai F-5 aircraft made five intrusions into Kampuchean airspace over border areas of Pailin (Battambang) and Preah Vihear Temple (Preah Vihear).

On land, Thai troops fired dozens of artillery and mortar rounds a day on several border areas of Kampuchea's provinces of Battambang and Siem Reap-Oddar Meanchey. Noteworthy on Dec. 4 and Dec. 7, Bar Yakha (Battambang) and Kouk Khpos (Banteay Meanchey) were hit by 85 shells of Thai artillery and mortar.

On sea, Thai vessels made 14 intrusions into Kampuchea's territorial waters from five to six nautical miles off Poulo Wai Island. In the period under review, the Kampuchean border guards put out of action 182 Khmer reactionaries, including 91 killed, 15 captured and 76 others forced to surrender. They seized 109 assorted guns, one walkie-talkie, 19 land mines, 277 mortar and artillery shells and a large quantity of other war means.

Heng Samrin Closes Emulation Meeting

*BK1612072788 Phnom Penh Domestic Service
in Cambodian 0430 GMT 15 Dec 88*

[Text] On the afternoon of 14 December at the Basak festival hall, the party Central Committee's National Emulation and Awarding Council concluded the congress to sum up the past 10 years' results after working

successfully for 3 days. During the past 3 days, the congress proceeded in a busy atmosphere full of the spirit of solidarity and unity, and strived to find ways to increase efficiency and cut down delays in solving necessary and urgent tasks. The meeting also carefully listened to addresses by outstanding units and individuals who provided the meeting with good working experiences and points which have led to success in carrying out the tasks assigned by the party and people.

With these great achievements, the congress was greatly honored by the presence of Comrade Heng Samrin, general secretary of the party Central Committee and chairman of the PRK Council of State; Comrade Chea Sim, member of the Political Bureau of the party Central Committee and chairman of the National Assembly and of the KUFNCD National Council; Comrade Hun Sen, member of the Political Bureau of the party Central Committee, chairman of the Council of Ministers, and foreign minister of the PRK; and Comrade Chea Soth, member of the Political Bureau of the party Central Committee, vice chairman of the Council of Ministers, and chairman of the Central Committee's Emulation and Awarding Council.

These comrades addressed the meetings and handed out the following awards: the 7 January Honor to Battambang Province; the state's Heroic KPRAF Unit title to Armed Forces units in Siem Reap-Oddar Meanchey and Battambang Provinces, the 286th Division, the militia force of Ta Pon commune in Sangke District [Battambang Province], the militia force of Chrouy Sdau commune in Battambang District [Battambang Province], and the militia force of Sre Roluos village, Roluos Meanchey commune, Sambo District [Kratie Province]; the state's Hero title accompanied by the Labor Order, third class, to Puok District in Siem Reap-Oddar Meanchey Province; the Labor order, first class, to Phnom Penh City, Takeo, Kompong Thom, Siem Reap-Oddar Meanchey, and Preah Vihear; the Labor order, second class, to Kompong Cham, Kandal, Kompong Chhnang, Prey Veng, Svay Rieng, Koh Kong, Kratie, the Liberation cigarette factory, the Central Pharmaceutical Factory, and the Land Bridge and Road Department of Battambang Province's communication service; the Labor order, third class, to Pursat, Kompong Speu, Kompong Som City, Stung Treng, Kampot, Banteay Meanchey, Ratanakiri, Mondolkiri, the No 5 mechanical workshop, the Agriculture Directorate, the Waterworks Directorate, the Faculty of Medicine, Dentistry, and Pharmacy, the 7 January hospital, the bridge enterprise, the trade company, the construction enterprise, the Friendship Rubber Plantation Company, the Finance Office of Battambang District [Battambang Province], Meanchey District [Phnom Penh City], Prey Chhor District [Kompong Cham Province], Kandal Stoeng District [Kandal Province], Baray District [Kompong Thom Province], Baphnum District [Prey Veng Province], Kompong Rou District [Svay Rieng Province], Kratie District [Kratie Province], Bati District [Takeo Province], Angkor Chey District [Kampot Province], Bakan

District [Pursat Province], Sre Ambel District [Koh Kong Province], Prey Nop District [Kompong Som City], and Rovieng District [Preah Vihear Province]; the Defense of the Motherland Order, third class, to Mongkolborei District [Banteay Meanchey Province], the militia force of Salang base, the Samakki Rubber Plantation Company; and the Issarak Combatant medal, the State's hero of the Armed Forces title, and the Defense of the Motherland Order, second class and third class, to many individuals with outstanding achievements who contributed to the tasks of defending and building the motherland in the past 10 years.

Closing the congress, among other things, Comrade General Secretary Heng Samrin said:

[Begin Heng Samrin recording] The congress to sum up the emulation results of the past 10 years is held at a time when the Cambodian people throughout the country are happily and actively emulating to produce results to welcome the 10th founding anniversary of our glorious PRK.

The report summing up the emulation results throughout the country and the report on outstanding units and individuals clearly show the constant development of our Cambodian revolutionary forces in the past 10 years. This is also clear proof of the vigorous strength and the masterly spirit of our cadres, combatants, and people over the destiny of the country and nation and their own destiny. They have actively contributed to the tasks of defending and building the country and nation and are worthy of being outstanding children of our glorious Angkor era.

In the field of national defense, our Armed Forces, including regular forces, the police force, the regional force, and militiamen have been tempered through real battles and have developed quantitatively and qualitatively. They possess sufficient fighting force and are capable of looking after and defending well localities and the motherland to replace Vietnamese volunteer forces which will be repatriated after successfully completing their proletarian internationalist duties in Cambodia.

In the past 10 years of defending the motherland, the people, and the revolutionary gains with the active support and contribution of the people, the KPRAF have scored successive victories both on battlefields along the Cambodian-Thai border and inside the country. This has thwarted the maneuvers of enemies of all stripes who have attempted to weaken our new regime so that they could topple us, in particular their attempt to take over a number of localities along the Cambodian-Thai border to set up two zones and two state authorities and to control a number of villages and communes to serve as long-term bases for destroying the revolution.

In the security and social order sectors, our people's police forces have scored brilliant successes. They have timely and efficiently crushed all political and economic sabotage activities carried out by the enemies to reduce

the party leadership's influence, create complexities in our social administration, bring in a decadent culture, and poison the spirit of our cadres and people. In the past 10 years we have scored remarkable results in the economic and social affairs sectors. The people's standard of living, both materially and spiritually, are increasingly stable and constantly developing. The people's confidence in and happiness with the economic and social policies of our party and state have increased.

In sum, in implementing the right to be masters of the land, we have held aloft the banner of genuine patriotism and proletarian internationalist solidarity and carried on the nation's valiant, courageous, and hard working tradition of daring to fight and brave obstacles and difficulties to defend and build the motherland. We have expanded the spirit of being the masters and of being self-reliant, and have brought victories and successes. In the end, the Cambodian revolutionary forces have been set up, and are constantly making progress to the point of capably assuming revolutionary tasks themselves.

The difficult and complex stretch of road which we have traveled, along with the enemies' threats that the country, nation, and people are still receiving, have made the achievements scored by our cadres, combatants, and people during the past 10 years even more significant. All the great achievements in every field are the result of the wholehearted efforts and countless sacrifices of cadres, combatants, personnel, workers, intellectuals, monks, and people of all nationalities from all social strata under the KPRP's leadership for the cause of the nation and motherland.

During the past 10 years' emulation movement, good works and many model persons have emerged and have achieved brilliant results in every task and every social activity. On this occasion on behalf of the Cambodian party, state, and people, and in my own name, I would like to sincerely express vivid congratulations and admiration for every precious emulation result of the comrade cadres present here, as well as those of the people throughout the country. I consider these achievements as the most appropriate gifts to welcome the forthcoming 10th anniversary of our great 7 January victory. [applause]

Beloved audience: On the basis of the great revolutionary achievements, the Cambodian revolution has reached a new progressive phase with quality in which Cambodia's own forces should take the country's destiny in their hands, and a phase in which fighting and negotiating are done simultaneously. This phase requires great unity among our cadres, combatants, and entire people and firm confidence in the party leadership, in our own strength, and in our own Armed Forces. It also demands that we double our efforts to achieve the two strategic tasks of defending and building the motherland. We should strive to achieve the three revolutionary goals. Now, as in the future, we should remember that although the enemies have been weakened and are disintegrating, their stubbornness and perfidy to topple us

through every form remains the same. Our cadres, combatants, and people should be constantly on their revolutionary guard. Along with this, we should also realize that the economic and social sectors and the people's living standards still have to be constantly improved. There are numerous difficult problems along the road of our advancement. This is a great cause to struggle for in the future.

Therefore, we should strive to vigorously increase our position of strength and victory in the military and security fields by striving to build, strengthen, and expand the Armed Forces to affirm our entity as well as our political and technical capabilities to increase the fighting quality and be in charge of fighting the enemies so they cannot emerge victorious. We should implement with efficiency the tasks of mopping up the enemies in the jungle, cutting them off from the people, and vigorously promoting the proselytization of misled persons. Attention should be paid to expanding and strengthening qualitatively and quantitatively militia forces in villages and communes. They should be sufficiently armed to ensure that they can fight the enemies and defend their localities. We should strive to further strengthen and expand the police forces so that they have sufficient strength for the task of ensuring political security and social order.

In the economic and social fields, we should further strive to make progress in both the state and the people's economy and expand to the maximum the economic capability set by the party and state. We should pay further attention to the cause of serving the public interest. In production and agriculture, we should promote rice production on all available land. Attention should be paid to increasing production yields and encouraging the expansion of new land and agricultural and subsidiary crops on which a careful study should be conducted and appropriate policies adopted to provide encouragement to peasants. On the production of rubber, which is an important crop, attention should be paid to providing investment capital to vigorously increase production. Remaining land should be reclaimed and put back into cultivation. Production means should be provided to the rubber industry and attention paid to providing good living conditions to workers in rubber plantations.

In the aquatic and forest products sector, we should strive to increase good management and exploitation by studying and adopting appropriate policies. In the administrative sector, we should strive to increase work efficiency, reduce procedures which slow down the process of solving problems, and remove unnecessary cadres. In the social affairs sector, we should strive to increase efficiency and popularity in serving the public interest in every field. Educate cadres of the public health, social affairs, communications, transport, and posts, other institutions, and so on aimed at implementing well the policies and directives of the party and state to win the people's firm confidence in our new regime.

In sum, for all social affairs activities to proceed smoothly with good results and increased quality so that the masses' three revolutionary movements can develop vigorously, the most important and decisive factor is encouraging and awarding those who produce results and outstanding units. The praise and awards should be timely and commensurate with the achievements because this will influence the movement forward. There should not be delays in this process. Building good persons who are useful to society is a difficult task. Once we have got good persons, we should not be afraid of praising their achievements. This matter should be studied and reconsidered by responsible institutions to ask for guidance from the party and state so that every task can be carried out with good results. Regardless of the sectors, the important factor is the setting up and promoting of the emulation movement. Units and localities which have set up and managed well the emulation movement will bring high quality to their work; they will overcome all difficulties and exploit the masses' capability. Leading cadres in each unit are directly in charge of leading emulation work in their unit. They should be the most efficient workers. This way, they can attract the masses below and inspire them to contribute to the emulation movement. We should not erroneously think that the emulation task is solely the responsibility of emulation cadres because a unit is strong or weak depends not on emulation cadres but on the unit chief.

Respected presidium and beloved audience, through the concrete emulation results of the past 10 years in the task of defending and building the motherland in accordance with the three revolutionary movements set forth by the party Central Committee, the national patriotic emulation movement has produced many good units and outstanding persons everywhere in every social field and they are represented here by you, comrades representing the multitude of outstanding units and individuals. This is the noblest honor for our congress.

In summing up the past 10 years' achievements, the comrades whom the state has recognized and awarded the title of heroes and the comrades who represent outstanding units, and outstanding individuals present here, and many other comrades who cannot be here, are an important force in developing the country. However, it should be considered that the culminating point at which we should aim has not yet been reached. It is still far from our hands. Therefore, we should not think that what we have achieved is enough. We should strive more vigorously than this in order to rapidly advance our society toward progress and prosperity. All the comrades and heroes should strive to produce new achievements to move toward winning the titles of two-time hero and three-time hero. Other outstanding units, comrades, and persons who have not yet produced outstanding results should strive to produce more and greater results in the tasks of defending and building the motherland to bring the decisive victory to the revolution and the people. We should strive to increase our Cambodian revolution's

position of strength and victory and use it as a solid and effective bastion and the determining factor in the national reconciliation negotiations and in the search for peace for the people.

The victories we have scored in the past 10 years are due to our [passage indistinct].

VODK Calls SRV Withdrawal Claims 'Deceitful'
BK1912061388 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 18 Dec 88

[Station commentary: "If It Is True That There Are Only 50,000 Vietnamese Troops Left in Cambodia, the Vietnamese Enemy Would Have Tumbled and Would Have Been Unable To Stay on in Cambodia"]

[Text] The Hanoi authorities announced recently that with the withdrawal of 50,000 men this year, there will only be 50,000 Vietnamese troops left in Cambodia. Such a stark lie by the Hanoi authorities has been the cause of a great deal of laughter for everybody.

People have said that in the past 10 years, Vietnam has controlled Cambodia with 150,000 to 180,000 troops, but it has failed to annex Cambodia. Vietnam's strategies on the Cambodian battlefield have failed successively. Its blitzkrieg strategy has failed. Its strategies to seal off the Cambodian border in order to prevent the Cambodian patriotic resistance forces from entering the interior of Cambodia, to recruit Cambodians to fight and die in place of the Vietnamese, and to supply the war on the spot have all failed.

Moreover, while the Vietnamese enemy is announcing the withdrawal of 50,000 troops from Cambodia, its military situation on the Cambodian battlefield is becoming even more unfavorable. In the Cambodian interior, the Vietnamese enemy has lost many more villages, communes, and controlled areas. The Vietnamese aggressors' administrative networks in Cambodia are shattering and being dispersed. The Vietnamese enemy has been unable to control or use the Cambodian people at will as before. It has failed to recruit Cambodian people to serve the army and the K-5 labor plan. It has been unable to plunder the Cambodian people's rice and crops at will as before. Large and small transportation routes have been cut off. The Vietnamese enemy can no longer use these routes as before.

Due to all kinds of criminal acts committed by the Vietnamese enemy aggressors in the past 10 years, Cambodian people throughout the country, particularly fraternal Cambodian soldiers and administrators who have been forced to serve the Vietnamese enemy, have jointly risen up and turned their guns against the Vietnamese enemy and more vigorously joined hands with the National Army of Democratic Kampuchea [NADK] in the attack to disperse and dismantle the Vietnamese enemy's village and commune administrative networks throughout the country.

The Vietnamese enemy has not been able to withstand this offensive. Vietnamese soldiers along the border areas have become demoralized. Dozens of Vietnamese positions on Pailin battlefield have been attacked and liberated by our NADK, and Route 10 has been cut off since May of this year. This route is still inaccessible to the Vietnamese enemy. Our National Army has also attacked and liberated dozens of strategic Vietnamese enemy positions on Samlot and Peam Ta battlefields. Many Vietnamese positions on other battlefields, such as south and north Sisophon and Choam Khsan-Preah Vihear battlefields, have been vigorously attacked, liberated, and seized by our National Army.

This shows that the Vietnamese enemy is facing an even more serious situation on the Cambodian battlefield. On battlefields along the border, the Vietnamese enemy faces an extremely serious situation. Without the aid of fresh troops, the Vietnamese soldiers, who have become very weary and demoralized due to a recent large phase of fighting, will not be able to withstand the situation along the border area. Their positions scattered along the border will certainly be smashed one after another and finally, wiped out totally.

In such a situation, would the Vietnamese enemy dare to withdraw 50,000 troops from Cambodia? Will their remaining 50,000 troops be able to withstand the situation on the entire Cambodian battlefield? Of course not. This is because in the 700 km-long western border of Cambodia alone, the Vietnamese enemy has to use tens of thousands of troops to be able to confront the NADK. What about the important strategic routes in other areas of the country, particularly in the vast countryside? Where can the Vietnamese enemy get troops to withstand the NADK, which is launching activities against it, dispersing and dismantling its administrative networks everyday, and liberating villages and communes?

It is clear that if there are really only 50,000 Vietnamese troops left in Cambodia, the Vietnamese enemy would have tumbled and fallen. In fact, the real situation on the entire Cambodian battlefield—both along the border and inside Cambodia—has not changed. Fighting between the Vietnamese aggressor troops and the NADK remains tense and fierce. This tense fighting has not gone down. This clearly attests that the Vietnamese enemy has not withdrawn its aggressor forces from Cambodia.

Its announcement about withdrawing 50,000 troops is as deceitful as its previous announcements.

VONADK Reports Arrival of More SRV Troops
BK1912020788 (Classified) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 18 Dec 88

[Excerpt] The Hanoi Vietnamese enemy aggressors have sent more Vietnamese troops from Vietnam to Cambodia.

1. On 8 December, the Hanoi authorities sent 200 fresh Vietnamese troops in puppet soldiers' uniforms by sea from Kaoh Tral Island to Prek Ambel village, Kaoh Toch commune, Prey Nop District, Kampot Province.

2. On 11 December, the Hanoi authorities sent 1,500 fresh Vietnamese troops—some of them in Vietnamese uniforms and some disguised as Cambodian puppet soldiers—from Cuu Long, (Tay Ninh), Kien Giang, Hau Guang, and Ben Tre in the 9th Military Region by sea to Ream Port in Cambodia where they were transported via Route 3 to Phnom Penh and along Route 5 through Battambang Town to stations on Route 10 and the Samlot and Peam Ta battlefields. [passage omitted]

Indonesia

Kuwaiti Embassy Opens; Suharto Meets Ambassador
LD1912221188 Kuwait KUNA in English 1655 GMT 19 Dec 88

[Text] Jakarta, dec 19 (kuna)—Kuwait's first ambassador to the Republic of Indonesia, Khalifah Husayn al-Musallam has presented his credentials to President Suharto at Merdeka Palace in Jakarta, the Indonesian Embassy in Kuwait said Monday.

In a special ceremony on December 17, President Suharto said "with the opening of the Kuwait Embassy in Jakarta, we hope that the cooperation and relations between the two countries will increase."

President Suharto reaffirmed Indonesia's conviction that a just and lasting peace in the Middle East will not be reached until Israel withdrew from all the Arab territories under its occupation, including Jerusalem and returned the Palestinian people's right for a free state. "In this regard we are not doubtful to recognize the proclamation of a Palestinian state", he said.

President Suharto appreciated the Kuwaiti role in hosting the recent successful fifth summit meeting of the Organization of Islamic Conference (OIC).

The Indonesian head of state expressed the hope that OIC could lead to unity, progress and welfare.

As members of the Organization of Petroleum Exporting Countries (OPEC), Indonesia and Kuwait need to cooperate to defend the unity and common stance of all members of the organization, "We are convinced with a same stance we will be successful in maintaining stability of the world oil price," he said.

Suharto on Concerted Efforts Against Smuggling
BK1912103588 Jakarta ANTARA in English
0908 GMT 19 Dec 88

[Text] Jakarta, December 19 (OANA-ANTARA)—President Suharto Monday [19 December] calls for concerted effort among government agencies in combatting smuggling in the country.

In this connection, the president instructed Attorney General Sukarton Marmosujono to coordinate all the anti-smuggling efforts of the involved agencies, beginning from investigations and examinations until the trials in the courts.

The president gave this instruction when the attorney general came to see him at the Bina Graha [presidential office] on Monday.

The president hoped that all the agencies would have common understanding about the anti-smuggling effort. If the attorney general's office has put forward any smuggling case as a serious case of subversion, then it should never occur that the judge decides to free the culprits just like that, according to the president.

Attorney General Sukarton explained that such things still happen. In order to promote common understanding among the government agencies, coordination is called for.

The attorney general said that he would in the near future hold meetings of the apparatus of the Attorney General's Office throughout Indonesia.

On December 8, President Suharto instructed a number of ministers, chief of the armed forces, and head of the state police to step up government's efforts to combat smuggling.

The attorney general said the eradication of smuggling must be intensified and cannot be done on the basis of amateurism, in view of the fact that smuggling is now organized in a very sophisticated and meticulous way.

"When the right time comes, I will appoint specialist public prosecutors to deal with smuggling. Prosecutors should also become increasingly in control of matters and tactics relating to smuggling, so that at the time Indonesia enters the Fifth Five-Year Development Plan (Pelita V) period, we would know exactly how the smugglers operate," he added.

He said his recent visit abroad produced cooperation agreements between the Indonesian attorney general, on the one side, and his Hong Kong and Singapore counterparts, on the other.

The agreement would make it not so easy for smugglers to go back and forth as they please, because at any time the Indonesian attorney general will be able to call his counterpart in Hong Kong or in Singapore and ask them to catch the smuggler.

The attorney general did not brush aside the possibility of the involvement of Indonesian importers in cases of import smuggling. He said the use of the services of SGS [Swiss Surveyor Company] abroad is in no way a guarantee that smuggling would not take place.

On the basis of his observation in Singapore, he drew the conclusion that import smuggling to Indonesia may well be the result of leaks, namely corruption and plots between the SGS personnel and the exporters in Singapore.

Legal Definitions for Anticommunist Drive Sought
BK1712071688 Hong Kong AFP in English 0610 GMT
17 Dec 88

[Text] Jakarta, Dec 17 (AFP)—The powerful military faction in parliament has called for a clearer legal basis in Indonesia's latest anticommunist drive, press reports said Saturday.

"There is a need for a strong regulation on (the term) environmentally clean so as to avoid us being confused," the Armed Forces daily ANGKATAN BERSENJATA quoted the spokesman of the military faction Sundoro Syammsuri as saying Friday [16 December].

The terms "individually clean" and "environmentally clean" have been used to determine whether a person is a security risk because of past communist links.

"Individually clean" refers to persons not implicated in an abortive communist-backed coup attempt in 1965.

"Environmentally clean" refers to those who do not have relatives implicated in the coup or links with the outlawed Communist Party of Indonesia (PKI).

Home Minister Rudini said Wednesday [14 December] that the authorities would soon issue directives to clear up any misunderstanding about the two terms which have been at the centre of the latest anticommunist drive begun early this year.

PKI, once Asia's second-largest communist party, was banned in 1966 in the wake of the coup attempt. Screening for possible communist links in the military, civil services and vital industries such as petroleum has been compulsory since.

This year, however, political parties, professional groupings, many mass organisations and the national press have followed the government's lead.

The military is allocated 100 of the 500 seats in Parliament, the remainder being held by elected MPs from Indonesia's three political parties.

Follow-Up to October Economic Policy Package
*BK201211188 Jakarta ANTARA in English
0930 GMT 20 Dec 88*

[Excerpts] Jakarta, December 20 (OANA-ANTARA)—The government Tuesday [20 December] issued a series of new policies on the capital market, financial institutions, and insurance companies as a follow up to the October 27 policy package (Pakto-27).

Finance Minister J.B. Sumarlin, who announced the new policy package at the Bina Graha [presidential office], said that by the new policy, the government is reopening the opportunity to establish new insurance and leasing companies and also encouraging the establishment of factoring and consumers-finance institutions.

"This policy is issued in the framework of developing the capital market, creating new alternative financing sources to support production and mobilizing public funds," Sumarlin said after he met with President Suharto together with Coordinating Minister Radius Prawiro and Junior Minister for Finance Nasrudin Sumintapura.

The new policy comes into effect on December 20, 1988.

The policy is contained in three presidential decrees (keppres) and five decrees of the minister of finance.

The presidential decrees are Presidential Decree No 60/1988 on capital market dated December 20, which replaces Presidential Decree No 52/1976, Presidential Decree No 61/1988 on financial institution which replaces Presidential Decree No 39/1988, and Presidential Decree No 40/1988 on loss insurance.

On the basis of the new policy, the private sector is given opportunity to organize securities exchange, which will operate side by side with the stock exchange organized by the government. [passage omitted]

The government also opens opportunity for the establishment of securities exchange in cities other than Jakarta according to need.

In securities trade done in Jakarta, the listed shares system as well as the listed company system may be applied.

Companies whose securities are listed in these private securities exchange may have their securities also listed at the Jakarta Stock Exchange.

However, the government forbids any "insider trading" practices using confidential informations about the companies that own the securities. [passage omitted]

The government also re-opens the opportunities to establish a joint venture in the insurance field, with the conditions that it should be a liability company, the national share at least 20 per cent and the foreign share not more than 80 per cent, and its share ownership policy should include the Indonesianization program.

The capital requirements for a mixed loss insurance company is 15 bil' on rupiah, life insurance 4.5 billion rupiah, re-insurance 30 billion rupiah and broker insurance 3 billion rupiah.

Laos

Politburo Issues Resolution on PRK National Day
*BK1712114088 Vientiane KPL in English 0905 GMT
17 Dec 88*

[“Politburo’s Decision on 10th Anniversary of PRK”—KPL headline]

[Text] Vientiane, December 17 (KPL)—PASASON today issues a resolution of the Politburo of the LPRP CC [Central Committee] on the celebration of the 10th founding anniversary of the People’s Republic of Kampuchea. Below are main points.

The seventh of January 1979 was the miraculous victory day for the Kampuchean revolution, an event of great significance in the history of the Kampuchean nation which opened a new era of independence, freedom and true self-mastery of the Kampuchean people following the overthrow of the genocidal Pol Pot-Ieng Sary regime.

The ten years’ achievements gained by the fraternal Kampuchean people are a great contribution to the cause of common struggle of the three Indochinese countries for peace, stability, global security in Southeast Asia, Asia and the world over.

Treasuring the tradition of solidarity against colonialism, imperialism for independence of each country ever since the founding of the Indochinese Communist Party, the special relationship and all-round cooperation between peoples of Laos, Kampuchea and Vietnam based on Marxism-Leninism and proletarian internationalism have become a law of the survival and development for each country towards socialism. [sentence as received]

Nowadays, the friendship, fraternal special solidarity and close all-round cooperation between the two parties, countries and peoples have been further steadily and fruitfully strengthened.

Judging from its commitment to the special relationship with the People’s Republic of Kampuchea as described above, the Politburo of the LPRP CC resolves the following in connection with the 10th founding anniversary of the PRK.

—Launch a public campaign to develop and promote understanding about such a special relationship between the two countries, as well as about the significance of the seventh of January 1979 with special emphasis on the development and the achievements in all fields in Kampuchea over the past ten years as well as the efforts deployed by the PRK in a search for political solution to the Kampuchean issue.

—Organize the celebration of this day in various forms, using all available mass media to disseminate news about development in the PRK.

—Appoint a national committee in charge of the celebration of this event. The committee consists of 15 members whose head is Phoumi Vongvichit, acting president of the Republic, vice-chairman of the Council of Ministers of the LPDR.

Politburo To Send Aid to USSR Quake Victims
*BK1912115288 Vientiane Domestic Service in Lao
0500 GMT 19 Dec 88*

[“Press release” on “resolution” adopted by LPRP Central Committee Political Bureau on 15 December]

[Text] The LPDR Foreign Ministry informed the LPRP Central Committee Political Bureau on 15 December 1988 about the earthquake in Armenian SSR, Azerbaijan SSR, and Ukrainian SSR of the Soviet Union. The tragic disaster on 7 December has caused a great loss of life and property of the fraternal [Soviet] people. The Lao party, state, and people in the entire country express their profound sorrow and sympathy and consider the tremendous loss not only of the fraternal Soviet people but also of the Lao people in the entire country.

In this connection, the LPRP Central Committee Political Bureau has adopted a resolution to send an amount of material aid as permitted by its potentials to contribute to the relief of the loss and damage suffered by the fraternal people. It will send 50 metric tons of coffee and a shipment of parquet and plywood worth about 50 million kip to the Soviet Union soon. At the same time, the party Central Committee Political Bureau has also assigned the Lao-Soviet Friendship Association to cooperate with the Lao Front for National Construction at all levels in the country in mobilizing all economic foundations, offices, agencies, and the people of all strata to donate materials to the Council of Ministers at an appropriate time.

Vientiane, 15 December 1988
Office of the party Central Committee
[Signed] Maisouk Saisompheng

Japan Signs Memorandum on Drainage Assistance
*BK1612110088 Vientiane KPL in English 0905 GMT
16 Dec 88*

[Text] Vientiane, December 16 (OANA-KPL)—A memorandum on upgrading the drainage for the Vientiane Capital was signed here on December 14. The signatories to the memorandum were Sai Phakasoum, head of the Service for Communication, Transport and Construction of Vientiane Capital and Takasuki Yamaguchi, head of the expert team of the Japanese Government International Aid for Polluted Water Survey and Drainage.

The memorandum stipulates that the Japanese side will conduct a feasibility study of the project of the drainage renovation for the Vientiane capital covering 58.8 square kilometres.

In addition, a team of 12 Japanese experts will supervise the project.

The project will be undertaken by February 1989.

Philippines

Officials Refused Entry Into Subic Base
*HK2012052988 Manila PHILIPPINE DAILY
GLOBE in English 20 Dec 88 pp 1, 6*

[By staff writer Pamela A. Balcena]

[Text] Government prosecutors who were refused entry into Subic Naval Base denounced yesterday the shabby treatment given them by U.S. servicemen at the American military installation near Olongapo City.

The prosecutors who went to Subic to attend the joint RP [Republic of the Philippines]-U.S. committee on criminal jurisdiction, which formed part of the review of the Military Bases Agreement, were barred from entering the base by U.S. Marines for 40 minutes on what the officials called flimsy reasons.

The group, which included Department of Justice Senior State Prosecutor Lualhati Buenafe, State Prosecutor George Dee, Olongapo City Prosecutor Vivencio Baclig and his deputy Dorentino Floresta, said they would ask the Senate foreign relations committee to investigate what they called an indignity “to protect other Filipinos from similar shabby treatment at the hands of American soldiers stationed in U.S. bases here.”

They claimed that U.S. Marines without name patches refused to let them go inside the base for 40 minutes simply because the number of names in their gate pass did not correspond with the number of passengers in the van they were riding in.

The unidentified Marines allegedly rejected the Filipino officials' explanation that they left one of the gate passes inside the base. The U.S. servicemen allegedly ignored their request for the Americans to verify their purpose of visit and identities with higher base authorities.

The group had to seek the assistance of the Philippine Marine contingent detailed inside the base to call ranking U.S. officials.

When informed that the incidents delayed the prosecutors' meeting with their U.S. counterparts, Rear Adm. Roger Rich, base commander, promised to investigate the matter "to save other Philippine officials from being subjected to embarrassment" by the American naval authorities.

Manglapus Encourages Trade With Soviets
HK2012112388 Quezon City GMA 7 Radio-Television Arts Network in Tagalog 1030 GMT 20 Dec 88

[From "GMA News" program]

[Text] Secretary Raul Manglapus said that an inter-agency committee has agreed on the expansion of trade with the Soviet Union. Soviet Foreign Minister Eduard Shevardnadze is scheduled to begin a 2-day visit in Manila tomorrow and according to Manglapus, they are expected to discuss various international issues.

Manglapus said that the Philippines is more open-minded now on relations with the Soviet Union.

[Begin Manglapus recording in English in progress] ...encourage fully trade with the Soviet Union and certain major aspects of Soviet cooperation with the Philippines in specific projects. [end recording]

Further on Trade With Soviets
HK2012103988 Hong Kong AFP in English 0935 GMT 20 Dec 88

[Text] Manila, Dec 20 (AFP)—Soviet Foreign Minister Eduard Shevardnadze's visit here this week to lead [as received] to increased trade with the Soviet Union, Foreign Secretary Raul Manglapus said here Tuesday.

Mr. Shevardnadze is due to arrive in Manila Wednesday for a two-day visit as part of a three-nation Asian tour. He is currently in Japan and is due to visit North Korea when he leaves here.

Mr. Manglapus said that an inter-agency meeting on the visit reached the "general conclusion...that we are in the position to encourage fully trade [as received] with the Soviet Union and... Soviet cooperation with the Philippines in specific projects."

He told a press conference that "I cannot anticipate what we can agree on with the Soviets... but we are open to servicing Soviet vessels in certain parts of the Philippines."

"Personally I would probably venture to mention railways. It would be interesting for us to see what would be in it for the improvement of our own facilities," Mr. Manglapus added.

Moscow caused a minor controversy here earlier this year when it applied to use the government-owned Philippine Shipping and Export Corporation (Philseco) shipyard north of Manila, next to the U.S. Subic Naval Base.

Mr. Manglapus said that legal impediments attached to the loan used to finance the setting up of Philseco might prevent Manila from allowing the Soviets to use it, but did not say who provided the loans.

Government sources said the military were worried that Soviet ships at the Philseco yard might be used to spy on the U.S. base, but that Manila was amenable to letting the Soviets use other shipyards.

Mr. Manglapus also said that "if we are going to open some of our ports to the servicing of these ships, then I think it's but natural for us to consider fishing rights." He did not elaborate.

He also cited industrial and mineral development projects concerned with "ecological problems in the Philippines," as well as a "coal development project in the northern province of Isabela" as examples of projects that have been proposed by both sides for possible bilateral cooperation.

He admitted that the military were also concerned about potential "security problems" in the Isabela coal project but did not elaborate.

Despite this, he said "we view the whole aspect of the relation between the projects and the problems of security and we reached the conclusion that there are wide areas of cooperation that we can offer to the Soviets."

Asked if the government of President Corazon Aquino would agree to a counter-trade agreement with the Soviets, he said "some amount of counter-trade is always mentioned when we speak of trade with countries that do not possess much hard currency."

He added that direct flights from Manila to Vladivostok were also "under consideration."

Mr. Manglapus also said that the "the question of conflicting claims," over the Spratly islands in the South China Sea, "would very well be mentioned" in the talks with Mr. Shevardnadze.

The Philippines, China, Malaysia, Taiwan and Vietnam all claim possession in whole or part of the strategically important Spratly islands which lie across shipping routes between the Indian and Pacific Oceans.

Asked if the Soviet official would discuss the U.S. bases in this country, he said "it will be an opportunity for him to elaborate on some of the aspects of those pronouncements which are important."

He was referring to Soviet leader Mikhail Gorbachev's repeated offers to pull Soviet forces from Cam Ranh Bay in Vietnam if U.S. forces were pulled out of the Philippines.

'Diplomatic Inroads' Viewed
HK2012110788 Quezon City Radyo ng Bayan
in Tagalog 1000 GMT 20 Dec 88

[Text] Soviet Foreign Minister Eduard Shevardnadze is expected to arrive in the country tomorrow afternoon for a 2-day visit. Shevardnadze is presently in Japan, and will proceed to communist North Korea after his Philippine visit. He will hold bilateral talks with Foreign Secretary Raul Manglapus on Thursday on expanding Philippines-USSR ties.

Tony Valencia for more details:

[Begin recording] Foreign Affairs Secretary Raul Manglapus said yesterday [as heard] that the scheduled visit by Soviet Foreign Minister Eduard Shevardnadze will promote warmer ties between the Philippines and the Soviet Union. He added that Shevardnadze's visit also demonstrates the Soviet Union's desire to project its image as a superpower to the Asian countries, as U.S. Secretary of State George Shultz did last July when he conveyed the United States' desire to maintain its image in Asia. [as heard]

Manglapus affirmed that there are only two superpowers in the world today, namely, the United States and the Soviet Union. According to him, both are trying to make a mark in world politics by means of visits in the Asia-Pacific region.

Manglapus also explained that the Soviet Union has made diplomatic inroads in the region, such as the conclusion of [words indistinct], opening of diplomatic and economic ties with China, Japan and even with ASEAN member nations. [end recording]

Envoy to Moscow Confirms Talks on Bases
HK2012051988 Manila PHILIPPINE DAILY
GLOBE in English 20 Dec 88 pp 1, 6

[By staff writer Julius F. Fortuna]

[Text] The country's Ambassador to Moscow Alejandro Melchor confirmed yesterday having received a message from a former Soviet foreign minister that the USSR was in "no hurry" to press for the removal of strategic U.S. air and naval bases in the Philippines.

In a related development, Soviet Foreign Minister Eduard Shevardnadze will arrive tomorrow for an overnight visit in Manila to discuss with Filipino officials bilateral and regional security issues.

Meeting diplomatic reporters after his call on Foreign Secretary Raul S. Manglapus, Melchor said that his conversation with Dr. Michael Kapitsa, now director of the Institute of Oriental Studies, was a record of "factual conversation".

"As for getting rid of the (U.S.) bases, there is no hurry. We can wait. When the year 2000 comes, you might be economically stronger and the international situation might have changed. We can wait and talk about it then," Melchor quoted Kapitsa as saying.

Melchor, now in Manila on Christmas vacation, explained that this "significant conversation" reflects a "discontinuity for what we have previously known as Soviet foreign policy vis-a-vis the (U.S.) bases.

Citing a new wave of thinking in the Soviet Union, Melchor cited a speech of a prominent member of a Soviet think-tank who reportedly cautioned that a sudden pullout of U.S. troops in Europe would "create a problem for the Soviet Union."

"That also to me is also quite a discontinuity from the previous Soviet statements," Melchor said. He noted that Soviet policy in the past tended to induce division between Western Europe and the United States.

He said Soviet policy in the Asia-Pacific, like its policy in Europe, is also based on the responses of the United States.

In a policy paper he prepared for the DFA [Department of Foreign Affairs], Melchor also said that the Soviet Union has "no time frame" in its proposal for mutual reduction of American and Soviet forces in the Asia-Pacific region.

On another issue, Melchor hinted that a top DFA official, "not Manglapus," is involved in a well-funded campaign to discredit him and ruin RP [Republic of the Philippines]-USSR relations.

He also refused to name the foreign power involved in the campaign to discredit him and his initiatives to improve Filipino-Soviet relations.

Asked whether he is a CIA agent, as perceived by certain sectors, he answered: "Judge me by my actions."

He related that when he was in the Program Implementation Agency, he worked for the establishment of a munitions plant run and owned by the Philippine government. "If I were a CIA agent, do you think I would do that?"

During the press conference, he also said that the National Intelligence and Coordinating Agency [NICA] had cleared him of charges of breach of security.

Melchor said he met with NICA chief Rodolfo Canieso who cleared him of charges, adding that Canieso wanted to meet him before anyone else upon his arrival 12 days ago.

Related developments:

—National Economic and Development Authority Director General Solita Monsod said that trade and business relations will definitely be discussed between the two governments during the Shevardnadze visit.

—She told the GLOBE that she has already prepared talking points for the Philippine panel that will meet with the Soviet officials.

—She commented that the visit of Shevardnadze is unique because the technical proposals will be completed after the visit unlike the usual practice where studies are prepared before the "visit of politicians".

—At the Senate, Foreign Relations Committee Chairman Leticia Ramos-Shahani has concluded that the time to discuss economic projects with the Soviet Union is not appropriate.

Ambassador Melchor told reporters that he had reported to Shahani about the embassy proposals, but that Shahani has concluded that the "environment" is not ideal to discuss projects with the socialist superpower.

Envoy to USSR Alleges Attempt To Destroy Ties
HK1912051388 Manila PHILIPPINE DAILY GLOBE in English 19 Dec 88 pp 1, 6

[By staff writer Julius F. Fortuna]

[Text] The country's ambassador to the Soviet Union Alejandro Melchor accused his deputy at the Philippine embassy in Moscow with sabotaging RP [Republic of the Philippines]-USSR relations, the GLOBE learned over the weekend.

Melchor also charged the Moscow embassy's charge d'affaires with imperiling the coming visit to Manila of Soviet Foreign Minister Eduard Shevardnadze.

Melchor, now in Manila, is scheduled to meet with Foreign Secretary Raul S. Manglapus today to explain his side on the alleged irregularities at the Moscow embassy.

In his meeting with Manglapus, Melchor is expected to point an accusing finger to Ambassador Hermenegildo Cruz as the one responsible for delaying the issuance of visas to visiting Soviet officials, according to information obtained by the GLOBE.

Cruz is now acting chief of mission in the Moscow embassy and reportedly at odds with Melchor.

The visas for the party of Shevardnadze, who is expected to enplane to Manila on Wednesday after his visit to Tokyo, were reportedly issued late last week.

"This same charge d'affaires (Hermenegildo Cruz) almost caused a serious incident in the forthcoming visit of the Soviet Foreign Ministry by blindly following what he insists was DFA [Department of Foreign Affairs] instructions to only issue visas to the officially invited guests and diplomats in the Foreign Minister's party," sources quoted Melchor as saying.

It was learned that a serious diplomatic incident was averted by the "timely action of the Minister Counsellor (Corazon Belmonte), who having a broader vision than her immediate superior, called the attention of the DFA."

The DFA learned early last week that no visas had yet been issued to the pilots and air crew of the Shevardnadze party including the supporting staff that normally travel with the Soviet official.

But Melchor called up the Philippine Embassy in Moscow Thursday night and angrily ordered remaining embassy officials to grant visas to Shevardnadze's party.

The Soviet delegation will be traveling on a special plane and is expected to meet with Philippine officials including President Aquino and Manglapus.

Sources said Melchor is also expected to question the objectivity of a report that persuaded Manglapus to consider last month the "total revamp" of the embassy in Moscow.

Manglapus had also ordered the de-accreditation of two of Melchor's assistants, former naval officer Hernani Jover and Dr. Donato de Guzman.

A restaurant managed by a private contractor was also ordered closed by Manglapus, upon recommendation of the Board of Foreign Service Administration.

Ambassador Ernesto Garrido was sent to Moscow last November to investigate reported scandals in the embassy. But sources close to Melchor said Garrido proceeded to New York after his Moscow trip and leaked his findings to a prominent Manila columnist.

Sources said Melchor is also expected to complain to Manglapus about Garrido's inability or unwillingness to look into what was described as "more serious breaches in discipline."

It was learned that an embassy staff member tried to kill another staff member who wanted his name withdrawn from the list of complainants against Melchor.

A brawl ensued and the Soviet police had to be called in by a Nigerian diplomat, but the embassy's administrative officer, Alejandro Liwanag, assured the Soviet authorities that the matter was an internal problem.

Melchor is also expected to blame Cruz for not seeing off "a very important congressional delegation" that visited Moscow last month.

At the time of the visit of the congressmen, led by House Majority Floor Leader Francisco Sumulong, Melchor was in the United States undergoing medical treatment.

Laurel Reported in Taiwan on Private Visit
HK2012021188 Manila Far East Broadcasting Company in English 2300 GMT 19 Dec 88

[Text] Vice President Salvador Laurel denied reports that he was in Taiwan to discuss the possibility of Filipinos being allowed to work there. He told reporters at the airport that he was there to see old friends. Deputy Chairman of the Council for Labor Affairs Hung Ching-lin said Taiwan's policy on foreign labor remains unchanged. Under current rules, foreign workers are not allowed unless special permission is granted on a case-to-case basis. Only government projects are [words indistinct] foreign labor in Taiwan. Although official statistics are not available, observers estimate that some 10,000 Filipinos are working illegally in Taiwan. Several thousand more come from other Southeast Asian countries.

Nationwide Hunt Launched for Japanese Terrorists
HK2012113788 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 20 Dec 88

[Text] The National Bureau of Investigations [NBI] and the Integrated National Police have launched a nationwide hunt for seven Japanese suspected of being Red Army members. Reports claimed that the seven men arrived in the country last week via the Mactan International Airport in Cebu City.

NBI officials have warned Japanese businessmen in the country to be careful for they may become terrorist targets.

The search aims to counter any possible violent acts committed by the Red Army against Japanese nationals in the country. The seven wanted men are reportedly using different aliases.

West Germany To Increase Financial Assistance
HK2012113988 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 20 Dec 88

[Text] Germany's economic assistance to the Philippines is to increase by 13.7 percent from P [pesos] 1.27 billion in 1988. The German Embassy in Manila said that the decision to raise assistance was reached in negotiations held between the two countries on 7 December in Bonn.

The assistance will be used to finance improvement of rural infrastructure, development of industrial production and establishment of agriculture training and research centers.

The Philippine delegation which negotiated for new financial assistance was headed by Dr Filologo Ponte, deputy director general of the National Economic and Development Authority.

Aquino Views Moratorium, Shevardnadze Visit
HK2012075388 Manila Radio Veritas in Tagalog 0700 GMT 20 Dec 88

[Text] The military is slated to submit its recommendations to President Corazon Aquino on whether to declare a moratorium on counterinsurgency operations this coming 24th and 25th of December. This was gathered from the president's replies to questions submitted by newsmen and read by Press Undersecretary Felix Bautista.

The president's answers also outlined her position on the budget bill which was modified by Congress. We also learned of the president's report on the agenda for her meeting with Soviet Foreign Minister Eduard Shevardnadze and of her Christmas greetings to former President Marcos.

Here are the president's answers as read by Press Under Secretary Felix Bautista on the related issues:

[Begin recording in English] The recommendation of the military on temporary suspension of offensive operations against the insurgents is due to be given me today and I shall make my decision known soon thereafter.

The options we will consider relative to the appropriations bill, including specific items to veto or not to veto, will depend on the text of the approved measure which we have not yet seen. We expect to receive it from Congress any day now.

Soviet Foreign Minister Eduard Shevardnadze's call [word indistinct] as social, rather than a business visit. [as heard] The Philippines, as our Constitution states, adheres to the policy of peace, cooperation and amity with all nations. This is the context in which we view all visits of this nature.

In the spirit of Christmas, I sincerely wish Mr Marcos well in terms of health and enlightenment.

During the holidays, as in the past, there will be moments of rest, of work, and of prayer, and hopefully, of joy. End of statement. [end recording]

Helicopter Sent To Pick Up Ramos Crashes
HK2012054788 Quezon City Radyo ng Bayan
in Tagalog 0500 GMT 20 Dec 88

[Text] One of the four helicopters sent to pick up Defense Secretary Fidel Ramos in Catarman, Samar reportedly crashed this morning. The accident took place somewhere between (Makeda Bay) and Villareal.

According to reports received by Air Force Major General Jose de Leon, the crash was caused by a faulty engine. However, the two pilots and two crew members of the helicopter were rescued by the other three helicopters.

The helicopter crash took place less than 24 hours after the burning of an airplane carrying Ramos and his entourage. They had been expected to arrive at Villamor Air Base at 1120 this morning.

Ramos Denies Sabotage Theory
HK2012080388 Manila Radio Veritas in Tagalog
0700 GMT 20 Dec 88

[Text] Following two successive accidents involving aircraft intended to carry him, Defense Secretary Fidel Ramos arrived safely in Manila after a 4-day official visit in Samar. He was met at the Villamor Air Base by his wife and some top government officials at 0330 GMT. Ramos arrived on board a C130 transport plane.

In an interview after disembarking from the plane, Ramos dismissed the theory that his aircraft were sabotaged [as heard]. Instead, he blamed the incidents on poor weather conditions and a slippery runway.

[Begin recording in English] [Ramos in progress] ...the airport. And the F-27 (?maritime tail) number 10602 piloted by Captain Virgilio Santos and co-piloted by Second Lieutenant Dwight Telejero...[changes thought] We ran into some very, very bad weather over Catarman. The pilot had no choice but to come in from the [word indistinct] end of the Catarman Airport and this, however, was with the wind. There was a bit of tail wind, but the approach was, under those conditions, also normal, I suppose.

It is not true that the engines of the plane caught on fire while on flight, as reported by some. But it was just a combination, I suppose, of adverse effects—the weather, the slight winds, and a lot of water on the runway. [end recording]

That was a statement by Defense Secretary Fidel V. Ramos on the accident involving an airplane he was on yesterday.

PC Chief Challenges Groups To Prove Charges
HK1912052588 Manila PHILIPPINE DAILY
INQUIRER in English 19 Dec 88 pp 1, 6

[By Dave Veridiano]

[Text] Constabulary authorities yesterday challenged the communist movement and human rights groups "to support with documented evidence" their accusations that soldiers and policemen were behind the various abuses against civilians and political activists.

Maj. General Ramon Montano, PC-INP chief, said members of various human rights groups have not been able to produce evidence to support their charges that soldiers or policemen have been responsible for the disappearances of political activists and other civilians.

"Groups claiming that some of their members are missing, failed to consider that these missing men and women could have joined the rebels in the mountains in pursuit of the insurgents' goal of toppling the Aquino administration," Montano said.

Montano was stung by claims by local and international human rights groups that the military under the Aquino administration has committed more human rights violations than during Ferdinand Marcos' rule.

These groups claimed that since 1986, some 11,000 political activists have been arrested and more than 236 people have "involuntarily disappeared."

One group charged that the administration does not have the will to punish human rights violators in the military and police.

Early this week, President Aquino defended the military against these charges and challenged critics to prove their accusations that her administration was behind the various abuses against civilians as well as political activists.

The President said that until such criticisms are proved, she would hold on to her belief that the government has never adopted "by neglect or design," a pattern of human rights violations in the country.

During Montano's sorties in Davao del Sur over the weekend, he urged local officials and his men to be brave and "not to be cowed by the charges and accusations hurled by the insurgents and some human rights groups supportive of the communist movement—for these groups are really against the government, to improve their image."

De Villa Not Named Accessory in Baula's Murder
HK1912113588 Quezon City GMA 7 Radio-Television
Arts Network in Tagalog 1030 GMT 19 Dec 88

[From "GMA News" program]

[Text] AFP [Armed Forces of the Philippines] Chief of Staff Renato de Villa was not named as an accessory in the murder of Lieutenant Colonel Francisco Baula Jr. The Quezon City fiscal's office completed the documents necessary for the murder trial today and General de Villa was not included as one of the accessories in the case.

However, guards Constable Bayani Barcenas and Corporal Jose Banares were named as the principal respondents. Named as accessories were PC-INP Commander Ramon Montano, Colonel Oscar Florendo, Colonel Marcial Adion and Major Roselito Comilang.

NPA To Release Captives 'Before Christmas'
HK1912064188 Quezon City Radyo ng Bayan
in Tagalog 0600 GMT 19 Dec 88

[Text] The six soldiers being held prisoner by the NPA in Bondoc Peninsula will be released before Christmas.

This was announced this morning by Gregorio Rosal, the Melito Glor Command [of the NPA] spokesman, in a radio interview in Quezon Province. Rosal told Monsignor Emilio Marquez, bishop of Gumaca, and Joselito Ojeda of radio station DWITI that they would release the hostages in one of the Bondoc Peninsula towns. Rosal said that they were not making any demands for the freedom of the soldiers.

The six prisoners are Sergeant Gilberto de la Cruz, Anselmo Cruz, Serviliano Carino, Pedro Sabado, Feliciano Bonifacio and Constable 1st Class Alberto Ortega.

Adalem Encourages Purchase of More Helicopters
HK1812050288 Baguio City Mountain Province
Broadcasting Company in English 0400 GMT 18 Dec 88

[Text] Army Chief Major General Mariano Adalem has batted for the purchase of more helicopter gunships to be used in the government's counterinsurgency war. Adalem said helicopters have been very effective in providing air support to ground troops. He added that the deployment of helicopters whenever a division operates has proven to be highly successful in combatting the New People's Army.

Adalem said the government should acquire additional helicopters for the Air Force considering their vital role in the all-out war against the NPA.

Senators View Proposed Cordillera Draft Act
HK2012050388 Manila PHILIPPINE DAILY
INQUIRER in English 20 Dec 88 p 3

[Text] The Regional Consultative Council [RCC] for the Cordilleras yesterday submitted to Congress a draft act which senators said runs counter to the autonomy provision of the Constitution.

In a news conference, Sen. Leticia Ramos-Shahani raised fears the draft proposal "may be creating a separate nationality" for the Cordillerans and challenges national sovereignty.

Sen. Aquilino Pimentel Jr., chairman of the Senate committee on local government, said the scope of the territory which the draft charter covers also goes beyond what is envisioned to be part of the Cordillera Autonomous Region under the Constitution.

Pimentel said they will ask members of his committee, particularly Shahani and Senators Juan Ponce Enrile, Heherson Alvarez and Emesto Maceda who all come from Northern Luzon to hold daily hearings except on Christmas and New Year so the committee can thoroughly discuss the draft act proposed by the RCC.

Shahani said the proposed organic charter contains a provision which defines what it takes to be a Cordilleran.

She said the provision not only defines who is qualified to be a Cordilleran but also sets guidelines on the renunciation of such status "by acts of omission."

She said the provision runs counter to the citizenship provision under the Constitution.

According to Pimentel, the proposed organic act wants to expand the coverage of the Cordillera and scope of the territory which the draft charter covers and also goes beyond what is envisioned to be part of the Cordillera Autonomous Region under the Constitution.

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She said the provision runs counter to the citizenship provision under the Constitution.

According to Pimentel, the proposed organic act wants to expand the coverage of the Cordillera administrative region to include some towns in Nueva Ecija, N. Viscaya, Ilocos Sur, Ilocos Norte, Cagayan and Pangasinan.

He said the areas are not within the original territory covered by the CAR which are Ifugao, Kalinga Apayao, Mountain Province, Benguet, Abra and Baguio City.

Senators and congressmen may not approve the expansion of the territory to be covered by the administrative region he said.

Pimentel said N. Ecija is part of Central Luzon.

He said the daily hearing to be conducted by his committee will tackle the controversial points of the proposed administrative region.

The draft act proposes a creation of a regional government to be headed by a governor and the retention of the existing provincial setup. The draft act also seeks the retention of provincial governors.

The draft act proposes that the legislative department should be a parliament.

Thailand

U.S. Warns Against Passing Software Law *BK2012010788 Bangkok BANGKOK POST in English* *20 Dec 88 pp 1, 3*

[Text] The United States has warned that passage of a separate law on computer software by Thailand would prompt a Section 301 action under the Trade Law of 1988, a source said yesterday.

Thai negotiators were on the verge of signing a record of discussion which would have resolved the problem of copyright and software, leaving pharmaceutical patents as the remaining problem, he said.

The signing of the record he said, would have left Thailand open to a Section 301 action on the patent issue and not copyrights or software.

The final Cabinet instructions did not leave room for flexibility, he said.

Washington's earlier compromising attitude stemmed from "its good understanding of our domestic political situation", the source said, and it reflected the acceptance of national treatment on copyrights, including reservations, under the Thai law.

Thai negotiators also convinced the U.S. to drop its demand that Thailand not issue a separate law for software protection.

At that stage, both sides agreed that amid ongoing dialogue, neither side would undertake any action to upset the status quo, which means Thailand will not pass a separate law until the courts decide whether software comes under copyrights or not.

Both sides also agreed on signing a record of discussion that contains only issues in which common ground was reached, namely copyright and software protection.

But the specific mandate from the Cabinet has changed matters.

According to the mandate, Thai negotiators were not authorised to change any wording even when action would have benefitted Thai interests, namely finalising a deal on copyright and software protection.

The issue would have been relatively easy to resolve, whereas a "very vast gap" on drug patent protection remains.

If the Thai negotiators had been able to change the wording, Thailand could have got rid of the copyright issue and then moved on to pharmaceutical patents dialogue, he said.

"The mandate put both sides in a difficult position with no room for flexibility," he added.

Maintenance of privileges under the Generalised System of Preferences (GSP) was not the ultimate goal of the Thai negotiators, he said.

"Our primary objective was to distance Thailand from the list of countries likely to come under Section 301's retaliatory action."

Thailand automatically falls into the list if GSP privileges are cut as this would provide grounds for a Section 301 action under the rationale of unfair trade.

The outcome of GSP cut considerations will indicate whether Thailand will face further retaliatory action.

If Thailand had reached agreement on copyright protection with the US and a record of discussion had been signed, the U.S. could only try to apply Section 301 on the pharmaceutical patent issue and not copyright and software.

With only the patent issue alone outstanding, retaliatory action under Section 301 would be diluted, the source said.

Section 301 seeks retaliatory action against trade partners that treat the U.S. to three degrees:

- "Unjustifiable," where mandate retaliation is inevitable;
- "Unfair", where trade partners can still lobby since the retaliation is not mandatory; and
- "Unreasonable".

"At that point, we had managed to use political motivation to de-link issues of copyright and drug patents," the source said.

"When the U.S. agreed to our offer on copyright and intellectual property protection, it turned out we could not sign a record of discussion due to the strict mandate.

"We were fighting not only for GSP privileges. We wrestled to pull our country away from possible qualification under Section 301," he said.

The source also quoted U.S. officials as saying they are trying to minimise Thailand's GSP loss because of "good relations and not because of Thailand's hardline stance" at the Washington talks.

Without a record of discussions being signed, the U.S. will evaluate Thailand's efforts to "fulfil verbal agreement" reached at the talks in assessing the GSP cut.

Washington has given Thailand a timeframe in which to honour promises that include reducing import tariffs for apples, wheat and soybean products effective on January 1 and granting national treatment for copyright protection when the U.S. becomes a Berne Convention signatory in March.

However, the timeframe for interim measures to protect pharmaceutical patents is subject to further talks.

Commerce Minister on Impact of GSP Cut
BK1812093688 Bangkok THAI RAT in Thai
18 Dec 88 pp 1, 23

[Text] Thai Minister of Commerce Subin Pinkhayarn, discussing the United States' consideration on the Generalized System of Preferences [GSP] privilege for Thailand, said that he has received a report from the office of the Thai trade counselor in Washington D.C. informing him that on 16 December the U.S. Trade Policy Reviewing Group [TPRG] held a meeting with U.S. Treasury Department representatives to discuss whether Thailand will continue to benefit from GSP privileges. The meeting reviewed what Thailand had done so far following requests made by the United States. After that, the representatives recommended that U.S. Trade Representative Clayton Yeutter, who once before held trade talks with his Thai counterpart, submit their request to President Reagan for a final decision.

"The recommendations are with the President now. It may take some time to make a decision, and I cannot say right now how long it will take. I can only say that the result has not come out yet, and we will just have to wait," Subin said.

Speaking on how to solve the problems if the United States really cuts GSP benefits for Thailand, the Thai commerce minister said that we certainly will have to pay 4 to 8 percent import taxes for our products; taxes which had

been exempted in the past. Thus the importing expense for Thai products exported to the United States will increase. However, there are two alternatives to solve the problem. The first is to pass the burden to the buyers. There would not be any problem if the products were of good quality and there was no competitor. In case there are many competitors, we must first see whether the product can survive. If we cut the selling prices and trim some profit and that product can still compete with products of other countries, that will be all right. On the other hand, if products cannot survive after cutting selling prices, we will have to take an alternative measure by improving efficiency in and processing of production in a way that needs as little investment as possible.

Asked if the GSP cuts for Thailand will have an impact on the Thai export target for 1989, the Thai minister replied that it is too early to make a prediction right now because the incident has not yet really occurred. Even if the cuts were made on GSP privileges for Thailand, a prediction still cannot be made if the cuts affect the target of Thai exports worth more than 500,000 million baht as set by Thailand. This is because we will have to look at the circumstances for a certain period of time before making any decision.

Former Prime Minister General Kriangsak Chomnan said that if the United States does cut Thailand's GSP privileges, we will have to find other ways to trade. "Why do we have to continue lying down and being fed milk? One day we must stand on our own feet" he said. The former premier supported the Thai Government's stand not to amend a law that would put computer software under the U.S. copyright bill, because despite an amendment, the United States could still cut Thailand's GSP privileges.

Politics Play Key Role in Talks
BK1812021888 Bangkok BANGKOK POST in English
18 Dec 88 p 1

[By Phonphimon Kachanalak in Washington]

[Text] Political considerations played a significant role in the decision of the United States to cut Thailand's benefits under the Generalised System of Preferences (GSP).

It is understood the Trade Policy Review Group (TPRG) came up with two options for recommendation to U.S. President Ronald Reagan.

The meeting adjourned after a marathon three-and-a-half-hour meeting without resolving which option would be selected, but both options would cut Thailand's GSP benefits, one slightly more than the other.

Both options involve specific product cuts and proportional cuts of overall benefits and would be contingent on Thailand's fulfilment of promises made earlier to the U.S.

However, the TPRG agreed that the decision would not be "extreme" or "punitive," and would take into account the decades of close and mutually beneficial ties and cooperation between Thailand and the U.S.

As a long-time friend and ally, Thailand shares an open economic system and other values with the U.S.

The decision was based on the U.S. desire to keep the dialogue with Thailand open.

There will be no more TPRG meetings on the issue, but officials of the member departments will work internally to select one of the two options.

Sources said the State Department politicised the issue to maximise the chance of political considerations playing a constructive and balancing role in the decision of the TPRG.

One trade official said that if the decision had been based on economic considerations alone, the cut would have been very deep.

"In the end, it was political considerations and goodwill toward Thailand that saved the day," said the official.

Thailand's Ambassador in Washington, Witthaya Wet-chachiwa said:

"If the reports are true, I believe it is appropriate to base the decision on political considerations.

"Thailand always wants to work with the United States and to preserve the relationship between the two countries."

He added: "The outcome of the recommendation will not be known for quite a while."

Asked if a small cut may send a signal to Thailand that the U.S. does not really mean business, one highly-placed official said he believed the U.S. has already sent a clear enough signal to Thailand.

One State Department official who had not yet received an official report of the TPRG meeting said he is still hopeful that the recommendation made to President Reagan would be "appropriate," and reflect the progress that the two sides had made, while recognising that there is still some distance to go.

It will not be the end of the world," the official said.

—In Bangkok, Former Prime Minister Gen Kriangsak Chamanan said yesterday that if the U.S. cuts the country's GSP privileges Thailand would have to find other ways to help itself.

"We can't expect the U.S. to help us all the time. They have helped us a great deal, especially during the Second World War," he said.

Gen Kriangsak said Thailand should not accept any more aid because in the next three to five years the country may have to stand on its own feet.

Columnist Concerned Over Loss of GSP Rights

BK1712103488 Bangkok NAEON in Thai

15 Dec 88 p 5

[Column by Witthaya Tanthasut: "Beware of the Trade Bill"]

[Text] It can be said that the Thai Government's efforts in negotiating with the United States since 1986 have ended in complete failure. From now on, 572 items of our exports to the United States, which earned Thailand 13,775 million baht in 1987, will be subjected to full taxation—the same as other goods not entitled to privileges under the GSP [generalized system of preferences] program.

Those export items were entitled to as much as 7 to 10 percent reduction in import tariff under the GSP program. They will cost more if Thai exporters have to pay the full tariff.

As to whether the American people will be affected by this, the answer is no.

They can buy similar products from other countries, which are sold at cheaper prices than Thai products. The American people do not have to depend on Thai products. Thailand's share of the United States market is very small in ratio.

Whether Thailand will be affected by it....

General Chaichai Chunhawan will not be affected, because he always said that there is no problem. Thailand earned just a little more from the GSP. There are still other markets for Thailand to explore.

Major exporters will not be affected, because they have already exceeded the GSP quota and thus are not entitled to GSP reduction. Those to be affected will be the medium- and small-sized industries, such as manufacturers of artificial flowers, household utensils, office equipment, furniture, toys, and rubber goods. They were products that benefited from the GSP, which made them competitive with goods from other countries for more than 10 years. With the GSP cut, those exports will become less competitive. The bad effects will be felt among domestic production. Workers will earn less income. There will be less investment and less capital flow.

This is not all that we can anticipate. U.S. Trade Representative Clayton Yeutter said he would propose to the U.S. President that all retaliatory measures be taken against Thailand.

Those measures are defined in sections of the new U.S. trade bill—Section 201 on import restriction, Section 337 on retaliation against violations of U.S. intellectual property, and Section 301 giving massive power to the U.S. trade representative and the U.S. President to retaliate against trade partners found being unfair with the United States.

Being dropped from the list of GSP beneficiaries, Thailand will lose its previous status and will be classified with the group of countries considered dangerous to the United States economically. It will lose nearly all chances to negotiate or settle any differences with the United States; unless the Thai Government agrees to open markets for U.S. products, the way Japan did by allowing the United States to increase by fivefold its cigarettes exported to Japan through the removal of the 28 percent import duty. This has earned the United States an income worth about \$1 billion annually.

In conclusion, Thailand is losing about 10,000 million baht annually from losing its market for goods to the United States entitled under the GSP privilege, without knowing where to find new markets for those goods. The situation is bleak at present, as we see the rise in trade protectionism—from the EEC, or even from Japan, which is in our own region. We can only expect a growing trade deficit as a result.

Commentator Lauds Chatchai's GSP Decision
BK1912135388 Bangkok MATICHON in Thai
19 Dec 88 p 6

[Commentary by Wutthichat Chumsanit: "The GSP: the Last Round of Thai-U.S. Trade Talks"]

[Text] Although the results of the review on the Generalized System of Preferences (GSP) for Thailand's exports to the U.S. market will be known in the few days, it seems that Thai businessmen had already anticipated a possible result when Prime Minister General Chatchai Chunhawan said in an interview on 9 December that "I think that the United States will not cut the GSP. But if it does so, we will have to struggle by on our own and stand on our own feet; otherwise, we will always have to beg others for tax privileges." (from MATICHON's 10 December issue)

It can be said that the prime minister's stand on that day (which is probably supported by the academics who are also the prime minister's advisors) seems to be a signal for all sides concerned to adjust themselves with the situation which will happen soon.

Such an "uncompromising" manner also appeared during the Thai-U.S. negotiations. Several sides feel that the remarks ignoring the GSP was not emotional or only designed to please the students, but there were several reasons behind the decision.

Thailand and the Benefits From the GSP

A Commerce Ministry report says that Thailand's exports under the GSP in 1987 valued U.S. \$551.6 million, of which U.S. \$379 million, or 68.8 percent, were industrial products.

Prominent industrial products which risk the GSP cut include artificial synthetic fibre and plastic flowers, toys, and ceramic tiles. The sale prices of such products in the (United States) may have to increase.

What the prime minister's working team thinks is that it would be reasonable if the exporters have to increase the prices of their products in exchange for not losing on the intellectual property issue. In addition, other data also shows that a lot of these industrial products are produced by foreign companies who enter joint ventures with Thai firms, especially companies from South Korea and Taiwan, which just lost their GSP status last year.

Besides, Thai exporters of gem products, whose GSP was cut by the United States at the beginning of this year, have been able to adjust themselves and can stand on their own feet by increasing their export prices—which is a good example showing that the Thai's will probably be able to adjust themselves despite the GSP cut.

However, the ability of the Thai gems exporters to survive does not mean that other products will be able to become competitive because gems products come under normal U.S. tariff rates (about 5 to 7 percent) while some important industrial products have to pay considerably higher tariff rates (20 to 30 percent). So, there is some anxiety whether Thai exporters will be able to find new markets in time.

Although there may be some concerns, General Chatchai's decision to ignore the GSP is considered the most appropriate decision. The argument on Thai-U.S. trade will continue along with internal competitions.

Air Chief Marshal Sitthi Sawetsila and Phong Sarasin have spent a lot of time putting the supervision of the International Economic Relations Policy Committee from the prime minister's advisory board under the Social Action Party, which was considered their victory at that time.

General Chatchai's stand of showing no interest on the GSP was not related to the International Economic Relations Policy Committee, but was influenced by his advisory board.

Who will dare to say that this is the last round of trade negotiations as Thailand's trade talks are to take place in many other places.

Press Accused of Plotting Destabilization
*BK1812031928 Bangkok BANGKOK POST in English
18 Dec 88 p 3*

[Text] Some newspapers are conspiring to destabilise the Government with campaigns of lies, PM's [Prime Minister's] Office Minister Chaloem Yuobamrung claimed yesterday.

Pol Capt [Police Captain] Chaloem said the newspapers had been plotting a campaign against the Government with what he called the "old power group".

During a speech on the title "Who Intimidates the mass media?", Pol Capt Chaloem also demanded the First Army Division ban a morning radio programme in which popular television anchorman Somkiat Onwimon has criticised him and the Government.

Pol Capt Chaloem's comments were made in a talk organised by his Muan Chon Party at the Ambassador Hotel to raise funds for southern flood victims.

"Some newspapers have collaborated with the old power group to use Government House to spread groundless news reports which discredit the Government," he said.

Newspapers had run groundless stories giving the impression the Government was careless in its spending, he said.

A recent report that the Government had lavished expensive wine on foreign dignitaries was untrue, he said, because Prime Minister Chatchai Chunhawan had brought the wine from his home.

Accusing the newspapers of lacking responsibility, Pol Capt Chaloem said columnists had attacked the 70-day-old Government no fewer than 27 times.

"One of the roles of the newspapers is to reflect the Government's performance. But it turns out that some newspapers have launched a joint campaign to unfairly attack the Government," he said.

Confronted with a hostile press, Pol Capt Chaloem said he would go on the offensive through the publicly-owned Mass Communications Organisation [MOT] of Thailand, which he controls.

People who feel they have been unfairly attacked by the press could petition an MOT committee set up to investigate their cases.

"From now on, if a newspaper hits me once I will hit back three times. I will use the MOT television network," said Pol Capt Chaloem, who claimed he had no axe to grind against the mass media.

The Government valued freedom of the press—provided it presented facts and did not distort the truth.

Pol Capt Chaloem also said First Army Division Commander Maj-Gen [Major General] Mongkhon Amphonphisit should act against anchorman Somkiat.

"If the First Division commander has never listened to the programme, he should do so," said Pol Capt Chaloem.

"If he listens to it and nothing happens, he and I will have problems."

The minister said he would use the Tor Tor Tor radio network, which is under the MOT, to counter Mr Somkiat if he continues to criticise him and the Government.

Pol Capt Chaloem also said Muan Chon would take full responsibility for the MOT work if it was mismanaged.

Country Assessed as 'Regional Superpower'
*BK1812024588 Bangkok BANGKOK POST in English
18 Dec 88 p 10*

[From the "Inprint" column]

[Text] Thailand, enjoying greater military and economic clout, has become a "regional-level superpower" with the wherewithal to conduct a more independent foreign policy, Prime Minister's Adviser Sukhumphan Boriphat tells KHAO PHISET.

"We are much stronger today, our weapons considerably more up-to-date. I think we have become a regional-level superpower, held in awe by regional states. They see that our economic base has become much stronger," the adviser says in an interview.

"Our policy in the past was that of a weak party... We are much stronger now but the habit of being an underling to other countries makes us forget just how strong we are," he says.

Thailand, for instance, would hardly suffer any adverse effects in the long term if the United States were to cut its privileges on the Generalised System of Preferences (GSP) because consumers are not influenced by taxes alone but, among other things, also by quality and habit, he points out.

However, he goes on, "if we yielded on the question of computer software, the U.S. will determine our progress in technology for another 20-30 years," he adds.

"Awareness of our strengths here will enable us to conduct a more independent foreign policy," he says.

M.R. Sukhumphan says he is in favour of a "good copyright law" but one that "should satisfy our interest directly and protect every country equally, not any one country in particular."

The law should not cover computer software because "it would benefit the U.S. more than other countries and at the same time damage our interests," he adds.

Thailand previously maintained a hard-line stance towards Vietnam because it was in a weak position at a dangerous juncture.

"The consensus on Indochina then was for Thailand to oppose Vietnam's actions and growth. If Vietnam did not satisfy our demands we would exert pressure by various means," he says.

Today, efforts are under way to form a new consensus that continues to call for the withdrawal of Vietnamese troops from Kampuchea while cultivating "more positive interaction with the Indochinese states," he adds.

Past governments said they wanted peaceful co-existence with Indochina but there "was not much substance to the thinking," he notes. Prime Minister Chatchai Chunhawan's goal to transform Indochina from a war zone to a trade zone provides an "incentive" for Vietnam to pull out of Kampuchea and creates mutual interests which constitute a true basis for peace in the region, he says.

The adviser allays fears that trade with Vietnam would be tantamount to "fattening the tiger," saying that the Vietnamese economy is far behind and its armed forces will continue to depend on Soviet support for another 10 years.

On differences between the Prime Minister's advisers and the Foreign Ministry, he says "I would prefer not to call them differences. Rather, I think it takes the form of different emphasis."

Ministry Confirms USSR's Ryzhkov January Visit
BK1712085288 Bangkok *Voice of Free Asia* in English
1500 GMT 16 Dec 88

[Text] The Thai Foreign Ministry announced today that the Soviet prime minister, Nikolay Ryzhkov, will visit Thailand on 16-17 January. The Thai Foreign Ministry [officials] also just met with the Soviet counterparts here last week to discuss preparations for the visit. The planned visit is in response to an invitation extended by former Prime Minister Prem Tinsulanon, who visited the Soviet Union in May this year.

The Soviet foreign minister, Eduard Shevardnadze, said during his recent tour of the region that he had seen some differences between ASEAN and the Indochinese countries. The Soviet Union considered the settlement of the Kampuchean conflict an urgent issue, he said.

Sitthi, Ali Alatas Discuss Planned 2d JIM
BK1712021188 Bangkok *BANGKOK POST* in English
17 Dec 88 p 3

[Text] Indonesian Foreign Minister Ali Alatas supports Foreign Minister Sitthi Sawetsila's plan to visit Vietnam next month, a Foreign a Foreign Ministry source said yesterday.

Mr Alatas told ACM [Air Chief Marshal] Sitthi at a meeting yesterday that Vietnam's troop withdrawal shows it is suffering severe economic problems, the source said.

The two ministers discussed preparations for the second Jakarta Informal Meeting [JIM] on Kampuchea, the source said, adding that they agreed JIM II would mark a mile stone in the Kampuchean peace process.

All ASEAN foreign ministers will attend JIM II, scheduled for the second or third week of February, the source said, but added that the Khmer Rouge has not yet indicated whether it will take part in the meeting.

ACM Sitthi told Mr Alatas that if JIM II is a success, other countries involved in the Kampuchean settlement, such as China and the Soviet Union, may be invited to later meetings, the source said.

Foreign Ministry spokesman Chet Sucharitkun said Mr Alatas also briefed ACM Sitthi about his meetings with Prince Sihanouk, Hun Sen and Thach.

Good coordination is needed prior to JIM II because there will be a flurry of diplomatic activity before the meeting, particularly ACM Sitthi's Hanoi trip and a meeting between Chinese and Soviet foreign ministers in China.

"JIM II is taking place when the prospects for a solution are getting brighter," he said.

Mr Chet said the success of JIM II will depend on the participation of everyone involved.

Meanwhile, the ASEAN Foreign Ministers' meeting in late January may be held in Bangkok, a ministry source said.

The gathering, which will prepare for JIM II, was originally scheduled for Brunei.

Mr Alatas and ACM Sitthi agreed that the venue is not important as long as the meeting is held, the source said.

Gambian President Leaves for Bangladesh
BK1612100188 Bangkok *Army Television Channel 5*
in Thai 1300 GMT 15 Dec 88

[Text] Gambian President Alhagi Sir Dawda Kairaba Jawara has ended a 5-day official visit to Thailand as a guest of the Thai Government, and left Thailand for Bangladesh today.

The Gambian president, his wife, and delegation arrived for a farewell ceremony at the Air Force Headquarters Airport late today attended by Prime Minister General Chatchai Chunhawan. Prime Minister Chatchai presented the Gambian president with a garland and an album of photos of his visit to Thailand as a souvenir. The Gambian president and Prime Minister Chatchai then saluted the Royal Thai Armed Forces' guards of honor. The armed forces band played the national anthems of both countries. The prime minister then accompanied the Gambian president to the plane, which took off at 1130 for Bangladesh.

Former Prime Minister To Visit Laos, Vietnam
BK1812014988 Bangkok THE NATION in English
18 Dec 88 p 2

[Text] Former prime minister Kriangsak Chamanan will visit Laos later this month as an adviser of the House Committee on Foreign Affairs and then proceed to Hanoi as the guest of Deputy Prime Minister Nguyen Co Thach.

Kriangsak, who dissolved his National Democracy Party prior to last summer's general election, told reporters he will be in Laos from Dec 26 to Dec 29.

Afterwards, he will visit Vietnam, accepting a standing invitation made by Nguyen Co Thach, also Vietnam's foreign minister.

Kriangsak said he and his associates have set up the Timber Trade Friendship Co Ltd to import timber from Laos, Burma and several ASEAN countries. The company's business contacts he stressed, will not be restricted to transactions with Laos.

Commenting on Foreign Minister Sitthi Sawetsila's plan to visit Hanoi, Kriangsak said he has waited for 10 years to see a Thai foreign minister travel to Vietnam. When he was prime minister, Kriangsak sought to promote better ties with the nation's Indochinese neighbours. He was the first Thai prime minister to visit Laos following Laotian communists storming to power in 1975.

However, he was highly critical of the Foreign Ministry's handling of Indochinese affairs, saying that the ministry lacked flexibility when dealing with Thailand's neighbours.

"As a result, the (Kampuchean problem), which should have been resolved in one or two years, has dragged on for 10 years," he said.

He said the United States and ASEAN cannot pressure Vietnam into withdrawing its troops from Kampuchea. "We cannot impose our will on them and our aim can only be achieved through negotiation," he said.

Vietnam

34 'Counterrevolutionaries' Sentenced to Prison
BK2012104788 Hong Kong AFP in English 0952 GMT
20 Dec 88

[Text] Hanoi, Dec 20 (AFP)--Thirty-four members of a counter-revolutionary group have been sentenced to three to 14 years in prison by the People's Supreme Court in Ho Chi Minh City, the newspaper SAIGON GIAI PHONG reported.

The daily, in an edition received here Tuesday, said the 34 were members of a group of "200 counter-revolutionaries" founded by former South Vietnamese Rear Admiral Hoang Co Minh.

According to Vietnamese press reports, the group was armed and funded overseas with the help of the United States and Thailand.

In July 1987, the group allegedly tried to cross the border between Laos and Vietnam in the mountainous Tay Nguyen region, the reports said.

"Vietnamese volunteers" and Laotian troops surprised and attacked the group in August 1987, killing leader Hoang Co Minh, 52, and about 100 of his men and capturing the rest, according to the reports.

Seventeen members of the group were tried in Ho Chi Minh City, formerly Saigon, in December 1987 charged with high treason and banditry and received sentences ranging from three years to life.

The trial of the remaining 34 members took place November 28, 29 and 30, SAIGON GIAI PHONG said.

Vietnam has denied foreign press reports that some of the men carried U.S. and Australian passports.

Official Vietnamese sources said the captured men had been recruited in refugee camps in Thailand by Rear Adm. Hoang Co Minh.

Radio Reports Development of Troop Withdrawal
BK2012111388 Hanoi International Service in English
1000 GMT 20 Dec 88

[Excerpt] The current withdrawal of 18,000 Vietnamese Army volunteers from Kampuchea is nearing its completion. Together with the 32,000 Vietnamese troops who withdrew in the middle of this year, 50,000 Vietnamese Army volunteers have been repatriated in 1988.

Here are the major developments of the current Vietnamese troop pullout. The home-going Vietnamese troops withdrew by boats, mainland roads, and waterways.

On December 19, Divisions 5 and 309 reached Vietnam by land roads, and Division 339 and a regiment returned to Vietnam by water. Besides, the command of Division 4 and two regiments are going home along Koh Kong and Kampot Roads. Other forces of Division 307 and 316 are on the way to Vietnam through Stung Treng Province.

The Defense Ministries of Vietnam and Kampuchea announced that the withdrawal of 18,000 Vietnamese troops will be completed on December 21, 1988.

There has been extensive public interest in the event. Nearly 100 foreign newsmen came to Phnom Penh and other localities in Kampuchea to cover this event. This is the record figure for the number of foreign newsmen to have ever been present in Kampuchea.

The Government of the People's Republic of Kampuchea has given every favorable chance for the newsmen to shoot the moving film in the country during these days. Almost all foreign newsmen shared the same view that Vietnam has really withdrawn its Army volunteers from Kampuchea. In fact, Vietnam's presence in Kampuchea is lessening.

A (?Dutch) correspondent, (Mr Paulin Deboch) said: I have talked with many Kampuchean. They all admitted that there are not many Vietnamese troops in the country. They have returned home and that is the good thing. I hope that Kampuchea can manage its affairs by itself.

Mr (Kanchinawi) of Japan said: At first I doubted whether Vietnam had withdrawn its troops. Now, after witnessing, I came to believe that the Vietnamese troop pullout is a fact.

During these days, the Kampuchean people again have had a chance to express their sincere thanks to the Vietnamese comrades in arms. All the Kampuchean people from top leaders to civilians owe it to the sacrifices of the Vietnamese Army volunteers that they now have the life that they do. [passage omitted]

Reportage on National Assembly Session

Socioeconomic Problems Debated

*BK1912154588 Hanoi VNA in English 1453 GMT
19 Dec 88*

[Text] Hanoi VNA 19 December—The Fourth Session of the National Assembly, 8th legislature, which opened here on 13 December and will last till 22 December, has been the liveliest in the life of this country's legislative body.

Through group discussions, the deputies were unanimous in evaluating the present situation and its causes. Many deputies were strongly critical of the Council of Minister' weaknesses and mistakes in handling the economy and managing society.

They analysed the causes of the country's poverty and the hard life of the majority of people, among them the low growth of the economy in proportion to the population increase, the absence of a strategic economic orientation, particularly the lack of a rational economic structure and concrete policies for the three major economic programmes—food, consumer goods, and exports—outlined by the sixth party congress.

Many criticized the Council of Ministers' hesitant attitude in the promulgation of many urgent policies. They asked the council to give more autonomy to the localities. On the leadership of agriculture, the council has to issue more concrete regulations and policies aimed at developing production such as the tax policy, the supply of agricultural inputs for peasants, fertilizer in particular, the policy on export and import, the currency exchange rates, etc.

At a hearing on 15 December, Minister of Finance Hoang Qui admitted that the present tax system has revealed many weaknesses and need to be completely revamped. The General Director of the National Bank Lu Minh Chau also promised to streamline the banking system and its operations and to punish all cases of bribery in the banking service.

Chairman of the Council of Ministers Do Muoi, for his part, stressed the need to have a unified and appropriate policy to exploit the potentials of all economic sectors. He said that the readjustment of the budget is imperative and whatever constraints the budget is facing, it has to meet the needs for improving the life of the workers, public employees, and the armed forces, of construction, education, public health, and other vital areas.

Chairman Do Muoi asked the National Assembly to continue the debates in order to sort out the most burning issues of the plan and budget and take prompt decisions on them.

Nguyen Thi Binh Gives Labor Report

*BK1912050488 Hanoi Domestic Service in Vietnamese
1430 GMT 18 Dec 88*

[Report on report read by Nguyen Thi Binh, chairman of National Assembly Foreign Relations Committee, at the 15 December sitting of the Fourth Session of the Eighth National Assembly, on "The Question of Labor Cooperation With Foreign Countries"]

[Text] Labor cooperation with foreign countries is an important policy of our state. This is an economic task of long-term, strategic significance. By cooperating broadly with other countries, first of all with the socialist countries, and with various countries in the Middle East, Africa, and so forth, in strict accordance with the party's and state's foreign policy, and by incorporating this task in our annual and long-term plans, we will gain socioeconomic benefits in many fields: obtain foreign currency for the budget without having to make substantial investments, create

jobs, improve professional skills, receive training in industrial work style, and increase the income of a section of laborers. By satisfactorily carrying out this task, we can also expand production and technical cooperation with other countries at different levels—central, local, sectoral, and basic—cement friendly relations with the people of friendly countries, and contribute to augmenting the amount of consumers goods for society. Experience of many countries of the world and in the region with the same level of development as our country's constitutes a palpable proof of this fact.

For our country, this is a novel experience rife with complexities and difficulties, especially in the current socioeconomic situation. If we fail to do a good job in this field, not only will the economic results be limited but many complicated social psychological problems will crop up, not only among the overseas Vietnamese community but also among the people in our country. In particular, our country's image may also be distorted in the eyes of the people in the friendly countries.

After assessing the good and not-so-good aspects of Vietnam's labor cooperation with four socialist countries during the past 8 years and clearly pointing out the difficulties faced by Vietnamese workers abroad in their daily life and work, Comrade Nguyen Thi Binh dealt with things to be done in the period ahead:

To satisfactorily implement the policy of labor cooperation with foreign countries, it is necessary to overcome the shortcomings and problems that have existed up to now, readjust the irrationalities in the agreements already signed, make more careful preparations for new accords, attach utmost importance to promulgating concrete and really renovated policies, and organize management with due attention to results in many political and sociopolitical aspects both at home and in relations with foreign countries.

In the agreements signed with foreign countries, the interests of both sides must be satisfactorily guaranteed. On our side, we must uphold the interests of the state while respecting those of the workers by fixing the level of their minimum income, ensuring favorable conditions for their work, travel, living, health care, and their purchase and sending home of ordinary goods, which must be considered as a form of transfer back to the country property earned through their legitimate labor. Our laborers must receive equal treatment with laborers from other countries, and their dignity and rights must be respected within the framework of our law and that of the host countries.

An important and pressing requirement is that, on the basis of the objectives and meanings we have agreed to as expounded above, we should carry out study to promptly supplement and promulgate various policies concerning laborers. Most of our laborers currently working overseas are young, 80 percent of them members of the Ho Chi Minh Communist Youth Union. They are skilled or

soon-to-be-skilled factory workers. In other words, if given adequate training and properly employed, they represent an outstanding segment of society, a highly promising potential capable of great contributions to national construction and development.

Policies on people working under labor cooperation programs must be consistent, covering the period of recruitment and selection, the time they spend working overseas, and the period after return upon completion of their contracts. The recruitment and selection policy must be thoroughly imbued with the spirit of democracy and justice and implemented openly. Troublesome formalities, the cause of negative phenomena, must be reduced. It is necessary to study the application of a mechanism aimed at encouraging laborers to contribute to creating more jobs while they are still working abroad, and to create proper conditions for them, after their return, to participate in production and national construction activities in different economic sectors. If no policies are to be worked out soon in this matter, a laborer who has worked 3-4 years abroad will become jobless again after his return, just like before his departure. Moreover, those who previously worked in enterprises and state agencies will also be left to fend for themselves.

Allowing shortcomings to prevail or to go on means failing to pay adequate attention to the interests of our laborers. Prior to their departure, the brother and sister laborers must be prudently briefed on the way of life, customs, habits, and laws as well as on what they should do and what they should avoid in the country or locality where they will be sent to work.

While they are in foreign countries, managerial cadres must stay close to them to care for and protect their legitimate interests when they encounter difficulties in production and daily life or meet with a loss. A mechanism should be designed to ensure that bad elements do not exploit our brother and sister laborers, especially those working in areas far away from the capitals or big cities. We must resolutely punish persons who have committed ignominious acts.

Noteworthy is that we should select and form a contingent of capable managerial cadres who acquire professionalism, have a good command of foreign languages, and know how to devote themselves to laborers in particular. It is necessary to develop a mechanism for combining the interests of managers with their responsibilities, and private interests with collective and national interests. We should not send persons for labor management in foreign countries who only seek to favor a certain number of cadres with meritorious services, thus causing us to forget our responsibilities toward the implementation of our country's major socioeconomic policy.

We must deal adequately with managerial cadres who have committed mistakes or revealed shortcomings and must not merely send them home, thus causing a lack of evidence for legal action against them like in some cases that have occurred in the past.

Special attention should be paid to satisfying the needs arising from their cultural and spiritual life. This must be distinctly specified in all agreements. All labor, cultural, and information organs and mass organizations, especially those units sending men for labor cooperation, must ensure coordination in and assume responsibility for this matter. Under a correct system, even without state subsidy in terms of expense, we still can satisfy the cultural and spiritual needs of our brother and sister laborers.

Labor cooperation is part of the work related external economic relations. Therefore, it is necessary to definitely and quickly shift it from the subsidy-based administrative mechanism to a management mechanism under an economic accounting system, with manifest distinction between state management and managerial organizations at the grass-roots level.

State management includes planning and negotiation at the national level; the enforcement of laws, policies, and procedures; and work related to guidance, inspection, control, and so forth. This is the authority and responsibility of all organs and member organizations of the Council of Ministers.

Meanwhile, the administering of specific management should be assumed by organizations or units set up under the forms of corporation and enterprise. These organizations and units must operate under economic methods and not under a subsidy-based administrative system. They must also be placed under unified state management and, at the same time, can exercise their rights to autonomy, including the right to contract and sign contracts with foreign countries, and operate in conformity with the laws of our country and the country concerned on the basis of the joint agreements signed between the two nations. It is necessary to work toward establishing combined organizations in accordance with each area or each sector, or even on a national scale when conditions permit.

We are of the opinion that implementing the policy on labor cooperation, especially assisting the Council of Ministers in studying and deciding on various policies, is the task that should be performed by many many organs—such as labor, external economic relations, finance, banking, custom, culture, information and so forth—and imperatively needs the role and voice of all mass organizations and people-elected organs. No sector can single-handedly undertake this tremendous and important task.

A study should be made to set up a suitable consultative organization for labor cooperation with foreign countries so as to contribute views to the Council of Ministers and ensure coordination among all agencies, mass organizations, and people-elected organs.

With the aim of expanding labor cooperation with foreign countries in accordance with party and state policies, the External Relations Committee and the Economic, Planning, and Budget Committee would like to present to the National Assembly the following specific points:

1. The Council of Ministers should provide guidance in a more intensive manner, determine the socioeconomic targets, uniformly enforce policies and measures for the fulfillment of these targets, improve the organizational and managerial mechanisms and various forms of labor cooperation and, on that basis, ensure that all sectors, localities, and establishments thoroughly understand these targets so as jointly fulfill them under a unified direction.
2. It is necessary to provide guidance for the examination of the agreements that have been signed and persist in the process of negotiation to adjust absurdly irrational causes. When signing new documents with foreign countries, full preparations must be made with the contribution of views by the organs concerned.
3. In the National Assembly's resolution on the issue of the state plan for next year, there is the part dealing with labor cooperation. It is necessary to instruct all ministries and sectors concerned to report to the next National Assembly session on the measures adopted for and results of the improvement of labor cooperation and the results aimed at intensively implementing this important policy.

We, hereby, submit our report to the National Assembly for consideration.

Deputies Attend 17 December Meeting
*BK1912123788 Hanoi Domestic Service in Vietnamese
1100 GMT 18 Dec 88*

[Report on 17 December National Assembly meeting, by station correspondent Kim Cuc—portions recorded]

[Text] On the afternoon of 17 December, the National Assembly deputies listened to members of the Council of Ministers answer questions about some problems concerning finance, budget, and wages as well as banking problems. Beginning the debate, Minister of Finance Hoang Quy presented the objectives in and projects for compiling the 1989 state budget estimate.

He said that the 1989 state budget objectives should serve the promotion of new systems and policies aimed at implementing the three major state economic programs. We should always proceed from the state socioeconomic plans to compile the budget. As a result, the 1989 budget must be closely linked to serving the socioeconomic objectives.

He presented some issues related to industrial and trade tax rates aimed at ensuring the development of production without causing losses of budgetary revenues. He also

mentioned some shortcomings of the finance sector in taking time to make proposals and remedy irrationalities in the taxation policy as well as in the collection of taxes.

The issue which most greatly concerned this National Assembly session was the problem of wages. During group discussions, quite a number of deputies voiced their concern about the present wages. In the current situation of unstable and soaring prices, we can see clearly that wage-earners have met difficulties in their everyday life. What measures have the party and state adopted to deal with this acute problem.

Comrade Tran Dinh Hoan, vice minister of labor, social welfare and war invalids, during discussions yesterday afternoon, presented a project for dealing with the problem of wages. He said that it will not be easy to reform the entire pay system when we are in a difficult budgetary situation. As a result, next year, we can only adopt some urgent measures to improve the pay systems for administrative personnel, armed forces' members, and recipients of social welfare benefits. The Ministry of Labor, Social Welfare and War Invalids recommended that the National Assembly take immediate measures in the beginning of 1989 to deal with the wage problems of the administrative personnel, armed forces, and recipients of social welfare benefits. He said:

[Begin Tran Dinh Hoan recording] In 1989, there might be three ways to deal immediately with the problem of wages: First is to maintain the current pay system intact. Second is to reform immediately and basically the pay system. Third is to remedy some of the irrationalities in the wage rates, grades and systems, and the irrational relations of wages. We think that the first way is unacceptable. It is impossible to maintain intact the current wages of workers and civil employees, especially those in the professional administrative sector. The second way is to immediately fix the time for basic pay reform. This, we also have no conditions for realizing. We would have to make preparations with an anticipation period of several years. If we want to improve the pay system, we must first resolve three major problems. First of all we must correctly redetermine the minimum standard of living and the level of minimum pay in our country. I would like to remind you that in 1985 this question was raised but not positively dealt with and no satisfactory conclusions were reached nor were effective results obtained. We therefore recommend the adoption of the third way, that is to immediately remedy irrationalities in the pay system and some problems in the relations of wages.

What are to be changed immediately? We think that in the current situation, we have not had conditions for basic reforms in the pay system. Based on the 1989 state plan and budget estimate, we make three proposals to the National Assembly. First, effective in 1989, some immediate measures must be taken to alleviate living difficulties for workers and civil employees of the administration, members of the armed forces, and recipients of social welfare benefits; to narrow the gap in amounts of

income between this domain and the production domain and to determine which pay levels would be satisfactory under the current conditions. Second, we request the National Assembly to cancel the system of price subsidies to wages for these three groups and to return to the wage relations that are the multiples of 1 and 3.5 and not 1 and 2.52 which were recently applied, causing a decrease in average pay. Third, while prices are changing and have increased by 15 percent or more, we recommend that wages must slide along at a fixed rate. Otherwise, the livelihood of workers and civil employees will be very difficult. [end recording]

Following the views of vice minister of labor, social welfare and war invalids, Comrade Lu Minh Chau, director general of the Vietnam State Bank, answered some of the deputies' questions. To a question about banking, he said that the state bank has not stipulated any rule on paying the fees of 15-20 percent for cashing checks at the bank as being noted in localities. The state bank suffers the shortcomings of having no measures to inspect and control closely and effectively, and to promptly detect negative cases.

Answering the second question on the purchase and sale of foreign currency, Comrade Lu Minh Chau pointed out that purchasing and selling foreign currency through the bank is a correct policy. What is worth questioning is whether the exchange rate is correctly fixed or not. In 1989 the bank sector and economic units will apply a policy of equality, implementing the right to impose a fine on each other. Whichever side does not honor its pledge correctly will be fined accordingly at commensurate rates.

Dear friends, also at yesterday afternoon's session, Comrade Do Muoi, chairman of the Council of Ministers, presented a number of issues concerning the socioeconomic situation. He stressed the formulation of socioeconomic plan norms for next year. Comrade Do Muoi said:

[Begin Do Muoi recording] Today, I would like to report to you comrades a number of issues prior to your discussion of the 1989 budget. I would like to say that prior to the drafting of the 1989 state plan and budget, I had reported to the party Central Committee Political Bureau on the implementation of the 1988 state budget and process in drafting the 1989 budget. To implement renovation in party leadership over the state side, several party leaders proposed that the party should set forth only main lines and policies, while the government should make satisfactory preparation to report to the National Assembly the situation of the 1988 state budget and the 1989 state plan and budget. In this spirit, we in the Council of Ministers have made great efforts in our preparation. Besides our regular work, we went to localities and held meetings to collect ideas from people's committees of various echelons, especially provincial and city levels. After that we made repeated discussions and worked with the National Assembly's Planning and Budget Office, then we reported to the party Central

Committee Political Bureau and received its approval on the implementation of the 1988 state budget and the draft for the 1989 state tasks, orientations, plan, and budget. Regarding state plan norms, management mechanisms, and the issue of balancing the budget to resolve the money problem, the Council of Ministers has the duty to carefully draft a report and present it to the National Assembly for discussion and for reaching a general decision, after that we must make an amendment and continue our discussion with the National Assembly's Planning and Budget Committee to make a report ready for presenting to the National Assembly.

A few days ago, Comrade Vo Van Kiet, on behalf of the Council of Ministers reported on the implementation of the 1988 state plan and tasks for 1989, while the comrade minister of finance reported on the situation of the 1988 state budget, the draft budget for 1989, and the draft resolution for the 1987 final account. Besides, during the preparation process, the Council of State asked that due to requests by National Assembly deputies from provinces, a number of specialized reports should be made. First, for instance a specialized report on taxation should be made so that the National Assembly may find ways to deal with and to resolve the tax issue because it has been a hindrance to production and has caused injustice in taxation. Second is a report on the land situation in Nam Bo because there are land disputes after the promulgation of a number of resolutions. Third is a report on the food situation in which we should give account of last year's food situation, how to maintain a grain balance and ensure sufficient food for the people, and how to avoid a sudden change in the food situation as in the previous year. We should also make a specialized report on wages because the present wage situation has received special attention from the National Assembly since it relates to the living standard of workers, civil servants, and their difficulties. For this reason, we have to prepare these specialized reports. In fact, we should make more specialized reports, but we afraid that they are too many and that you comrade deputies have not enough time to read them, so we concentrated only on a few key issues. Actually, we have many more issues to report to the National Assembly.

Thus, maybe we will make additional reports to the National Assembly on a number of other issues. However, we are still thinking about the right time to do it because these additional reports will affect the work agenda of the National Assembly. Therefore, we, members of the Council of Ministers, have this earnest proposition to make to the National Assembly: In the past, it was the party that decided on many issues. This year, it is not the party that decides on concrete issues. Instead, the National Assembly has been entrusted with holding discussions and making decisions.

Thus, the party is not going to decide on key issues of the socioeconomic plan and budget. Instead, this task has been left to the National Assembly. If no decision is

made by the National Assembly, then the Council of Ministers will meet with deep bewilderment when it comes to implementation.

In the past, the party used to make decisions on everything. Now, it is the party's policy to set the guidelines only. The rest is left to the National Assembly. If the National Assembly does not make appropriate decisions, then, we, members of the Council of Ministers, will meet with deep bewilderment when it comes to implementation.

Therefore, I have a suggestion to make. From what I have learned from the past 2 days of group discussions, the following major issues have been raised: First, regarding the socioeconomic situation, the comrade National Assembly deputies believed that the results were pretty good and that some issues need further study. The reason is because they might need more information in order to make correct final decisions. I think they are correct. The reason is because given our current situation, we need to gather more adequate information in order to reach correct conclusions. As far as this issue is concerned, there is still room for improvement.

Therefore, I think that the opinions that the comrade National Assembly deputies have given to the Council of Ministers are accurate. We will take these opinions into consideration step by step so we can continue to review the real socioeconomic situation in our country at present.

In order to successfully implement the 1989 national economic plan and the 1989 budget in accordance with the spirit of renovation, we must work out suitable mechanisms and policies to bring into full play the combined strength of proletarian dictatorship, or to put it another way, to set into motion all the potentials we have in hand, and to fully develop the five economic components. In this way, we can satisfactorily implement the 1989 socioeconomic plan and the 1989 budget.

In the third part of our report, we have set forth nine mechanisms and policies to be applied to 1989. These mechanisms and policies are of great importance. Therefore, may I suggest that the comrade deputies pay due attention to this issue.

There has been a greater demand [words indistinct]. I really feel very bewildered and do not know what to do. I really feel very bewildered. May I tell you, comrades, that only the National Assembly can resolve this issue. There is no way for the Council of Ministers to resolve it. The Party only sets forth the guidelines. The rest is left to the National Assembly. The decisions rest with the National Assembly.

Therefore, our only wish is that at this National Assembly session, let us renovate our work style a step further. Comrades, please make decisions on these basic issues so we can do our job. Otherwise, we don't think we can make it. [Applause]

Thus, this is the main issue I would like to bring to your attention today, comrades, before you start your group discussions. May I suggest that if the National Assembly believes it does not have enough time to discuss and decide on this issue, let's meet for a few more days. Otherwise, we will not be able to resolve our problem. The issue is so big that we cannot resolve it.

In summary, these are some opinions I want to contribute before you start your group discussions. We, members of the Council of Ministers, earnestly hope that the National Assembly will reach very accurate decisions so we can satisfactorily implement the 1989 socioeconomic plan and the 1989 budget. Thank you. [applause] [end recording].

Deputies Hold Discussions

*BK2012050088 Hanoi Domestic Service in Vietnamese
1100 GMT 19 Dec 88*

[Voice of Vietnam correspondent Tieu Lien report on 19 December news conference in Hanoi on the Fourth Session of the Eighth National Assembly and Hanoi deputies' group discussions]

[Text] Comrade Vu Mao, director of the Office of the National Assembly and the Council of State, held a news conference this morning at the Ba Dinh Conference Hall in Hanoi. The conference was attended by several correspondents from the VIETNAM NEWS AGENCY, newspaper, radio, and television.

Comrade Vu Mao briefed the newsmen on the contents of the working session held yesterday morning, Sunday, 18 December, by National Assembly Chairman Le Quang Dao, with heads of National Assembly deputies delegations, to hear reports on the results of their group discussions and to prepare for debate at the conference hall.

As we have reported on the activities of a number of groups of deputies, over the past few days the deputies have held discussions with a high sense of responsibility and constructiveness. They have looked squarely at the truth, clearly expressed concrete viewpoints, and focused their discussions on key issues. It can be said that the National Assembly has taken the first step in renovating the activities of the current session and that the deputies have faithfully reflected the people's feelings and aspirations.

The deputies have added to the Council of Ministers report the causes of the slow socioeconomic development, namely lack of a general guiding strategy for the economy, especially the failure to establish an economic structure and concretize the three economic programs. The immediate, direct cause is the hesitant, indecisive attitude reflected in many specific policies, in particular the reluctance to definitely renounce the old management mechanism. The old mechanism has not been completely done away with while the new one has not been constructed in a well-coordinated fashion, causing difficulties for production and business establishments.

The deputies voiced many opinions on implementation of the state budget and agricultural, industrial, and commercial tax policies. They suggested that the Council of Ministers promptly work out a national financial policy to serve as the basis for elaboration of a realistic tax system. They proposed an immediate revision of the irrationalities in various redundant, overlapping taxes, which have resulted in both overtaxing and considerable collection shortfalls. If the National Assembly is unable to adopt a new tax law, it should issue a resolution entrusting the Council of State with the task of revising the tax policy by ordinances and instructing the Council of Ministers to implement them immediately.

With regard to the collection of school and hospital fees, all groups of deputies generally agreed in principle with the need for such collections. However, the Council of Ministers should be given the task of fixing the rates on the basis of reality and the situation of each group of payers.

Concerning the state management apparatus, it was the opinion of many deputies that the administrative management machinery is still too cumbersome, the Council of Ministers staff is too large, and many ministries, departments, and offices are redundant and overlapping. Several groups of deputies called for a symposium to discuss the organization of the state apparatus. In this undertaking, we must strive to put up with the pains since cutting or reducing this or that component will inevitably touch many people. Some groups of deputies observed that the Council of Ministers does a lot of work and holds a lot of meetings, but the quality and efficiency of such activities are not high. It is necessary to pin responsibility on specific, clearly identified people for allowing the food shortage and hunger to occur and for the current weaknesses and deficiencies in financial, tax, and monetary work.

The deputies called attention to the fact that domestic information services were still poor, that information has at times been concealed, and that information coming from the upper echelon has not been fully conveyed to the lower level, while that from the lower level has been distorted. It is necessary to continue announcing openly what has or has not been accomplished.

After listening to the discussions, Comrade Le Quang Dao, National Assembly chairman, suggested that heads of the deputies' delegations direct joint discussions by all groups at the Ba Dinh Conference Hall on some issues concerning implementation of socioeconomic targets, with the state budget being the most important one. Should the National Assembly decide on concrete norms? Should it decide on grain imports and grain trading? Concerning concrete norms such as the level of mobilization of national income, should it be 23 or 25 percent? Will it be possible to achieve a grain output of 20 million metric tons? Should the agricultural tax be fixed at 10 or 7 percent? Will it be possible to increase the value of industrial output by 12 percent and the value of exports by 15 percent in 1989? Will the amount

of investment for capital construction be 1 trillion dong? Will the population growth rate be 2 percent, or how much? All these questions are still waiting to be discussed further by the National Assembly deputies at the Ba Dinh Conference Hall.

Also this morning, during a meeting of the Hanoi group of deputies, a deputy said: Our budget is still unbalanced, with huge deficits. If we keep asking for increases in expenses and a reduction in revenue, we can hardly solve this problem in 1989. The main thing is to find additional sources of revenue. As for spending, any expenditures that can be cut must be resolutely cut.

Speaking next, a deputy observed: I see that another source of revenue that can be tapped in 1989 is exports and foreign investment in Vietnam, including investment for production by private individuals. To turn this potential into a reality, we must quickly issue the necessary legal documents and work out a policy to protect investors' interests.

Another deputy expressed the opinion that revenue generated by the state sector may not increase in 1989. As proof, he cited the fact that of the 400 state-operated enterprises of the Ministry of Agriculture and Food Industry, only three really operate profitably, while many others only turn in imaginary profits and suffer real losses. This deputy held that tax remains the main source of revenue, but current irrationalities must be rectified and new taxes should be added, such as income tax. We should produce more propaganda to make the people understand their obligation to pay taxes because all other countries derive all of their revenue from taxes. Concerning mechanism and policy, he wondered: Will we be bold enough to make changes? For example, the state needs only to control key materials and means such as steel and iron, energy, chemicals, aviation, and railways, and turns over the rest to the people. This is because a great many state-run production sectors make no profits at all despite the large amount of capital invested in them. He disagreed with the method of solving the unemployment problem as proposed in the report by the National Assembly's Committee for Youth, Teenagers, and Children, which called for continued expansion of the state-run production sector. According to him, the main way to create at present is through the nongovernmental sector, and only in this way can the budget deficits be trimmed.

Another deputy also stated that providing employment is currently the topical issue of the capital city. It is necessary to broaden the five economic sectors and adopt appropriate systems and policies since this will help create jobs, at the same time as increasing social products and income.

Commenting on the food problem, a deputy said: We should consider carefully whether the agricultural sector should buy a total of 4 million metric tons of grain, or

just 2.5 million metric tons for the administrative and nonproductive sectors and the armed forces, and let the productive and business sector switch to buying grain at commercial prices.

It was the opinion of some deputies that the agricultural tax should be kept at its current 10 percent and that exemption or reduction should be considered only for each mountain area or ethnic minority group. As for fruit trees, a tax should be levied only in areas where large numbers of them are grown and their products have commercial value. This tax should not be imposed on small orchards and household gardens.

The above are some opinions voiced by some Hanoi deputies during their group discussions. What conclusions will be reached on the issues raised depends on the decision of the coming plenary meeting of the deputies at the Ba Dinh Conference Hall.

Deputies Discuss Economic Measures

*BK2012105288 Hanoi International Service in English
1000 GMT 20 Dec 88*

[Text] The Fourth Session of the Eighth National Assembly of Vietnam continued its work on Tuesday. In the morning, deputies discussed a report of the Council of Ministers on the main socioeconomic questions for Vietnam in 1989. Many deputies said the report is close to the reality and it is honest because it does not cover up the shortcomings.

They also said that the economic targets expounded in the report can be fulfilled. Many deputies affirmed that the target of producing 20 million tonnes of food in 1989 can be fulfilled if all localities are provided with enough fertilizer and insecticide.

In the afternoon, they continued their discussion and openly debated the major issues in the socioeconomic development of next year, such as budget, targets of gross social products, national income, the values of agricultural output, food and external economic relations.

Further on Economic Discussion

*BK1912061588 Hanoi Domestic Service in Vietnamese
0500 GMT 20 Dec 88*

[Text] This morning [20 December], the National Assembly held a plenary meeting at the Ba Dinh Conference Hall in Hanoi under the direction of its Chairman Le Quang Dao.

With their new work style, the deputies did not repeat their analyses of the situation but concentrated instead on discussing measures to implement the 1989 Socioeconomic Development Plan and State Budget. They focused discussions on the targets of grain output and of the collection of agricultural, import-export, and other taxes. They agreed with 20 million metric tons as the target for grain production in 1989, but they asked that

the Council of Ministers instruct various sectors to ensure timely delivery of material, insecticide, and fertilizer supplies and work out a new management mechanism to enable localities to achieve the target.

Many deputies suggested a number of positive measures aimed at satisfactorily carrying out grain mobilization such as collecting agricultural tax in cash in some localities.

This afternoon, the National Assembly will continue its discussions at the Ba Dinh Conference Hall.

Soviet Quake Victims Condolled

*BK1912152988 Hanoi VNA in English 1502 GMT
19 Dec 88*

[Text] Hanoi VNA Dec 19—The Vietnamese National Assembly today extended its deepest sympathies to the Supreme Soviet of the U.S.S.R. over the earthquake which caused heavy material and human losses in Armenia and other republics in Northern Caucasia.

The message wishes quick recovery and stabilization of life in the stricken region.

Shevardnadze Receives SRV Envoy in Moscow
*BK1612154688 Hanoi VNA in English 1517 GMT
16 Dec 88*

[Text] Hanoi VNA Dec 16—Eduard Shevardnadze, Politburo member of the Communist Party of the Soviet Union Central Committee and foreign minister, yesterday received Vietnamese Ambassador to the USSR Nguyen Manh Cam.

The Soviet foreign minister thanked the Vietnamese party, government and people for their condolences and sympathies with the victims of the earthquake in Armenia and for their decision to help the victims.

The two sides exchanged views on issues concerning bilateral relations and a number of problems relating to the Asian-Pacific region.

Publication Cooperation With USSR Expanded
*BK1612091688 Hanoi VNA in English 0720 GMT
16 Dec 88*

[Text] Hanoi VNA December 16—An agreement on publication cooperation between the "Plakat" Publishing House of the Soviet Union and the "Information and Culture" publishing houses of Vietnam was signed here yesterday.

Under the agreement, the two sides will jointly organize the printing and circulation of cultural publications in the two countries. They will hold a joint poster contest in honor of the 120th birthday of V. Lenin and the centenary of President Ho Chi Minh.

In 1989, the Soviet side will hold in Vietnam an exhibition of Soviet posters dealing with the renovation in the Soviet foreign policy.

Paris Seminar Urges Solidarity With Vietnam

*BK1712074488 Hanoi VNA in English 0700 GMT
17 Dec 88*

[Text] Hanoi VNA Dec. 17—A seminar entitled "Solidarity and Cooperation with Vietnam" was held at the French Senate on Dec. 13 by the "Fraternite Vietnam".

The seminar was aimed at reviewing the French non-governmental assistance to Vietnam over the past 13 years, and promoting the solidarity and cooperation with Vietnam in the years to come.

It was attended by a number of French parliamentarians, state officials, intellectuals, businessmen, representatives of the Vietnamese residents' union in France and overseas Vietnamese scientists.

Vietnamese ambassador to France Pham Binh was present on the occasion.

Opening the seminar, Jean Geronini, chairman of the Franco-Asian Chamber of Commerce, said that the French-Vietnamese relations had entered a new stage and France should enhance her efforts to strengthen these relations.

The participants stressed on the need to promote the solidarity and cooperation between France and Vietnam and held that this stage was the most favourable period to enhance the bilateral relations.

Professor G. Boudared spoke of Vietnam's great demand in information, and communications as well as the difficulties obstructing the relations between scholars of France and Vietnam. He suggested a scheme to restore ancient Hanoi.

Ambassador Pham Binh thanked all the non-governmental organizations in France for their persistent efforts to contribute to the post-war reconstruction in Vietnam. He spoke of Vietnam's policy of renovation in all domains, especially in external relations.

Radio Views Trade Relations with Northeast Asia
*BK1612162088 Hanoi Domestic Service in Vietnamese
0015 GMT 15 Dec 88*

[Report by Vo Hoai Nam on Northeast Asia market and its relations with Vietnam]

[Summary] It can be said that at present no region in the world draws as much attention from business circles as Northeast Asia. In this region, there are key markets such as Japan, Hong Kong, South Korea, and Taiwan. "In 1987, the trade volume of these four markets alone reached over \$700 billion, with the exports accounting

for more than \$300 million. With a population of over 200 million, the annual per capita export value of this region is estimated at \$14,000."

"Goods that can be exported to this market include many items—from coarse raw materials and semifinished products to finished products, from minerals and farm, forest, and maritime products to light industrial and handicraft goods, from items sent in large quantities and of great value to items sent in small quantities and of little value, and from items amassed little by little to skilfully processed items."

"We established informal trade relations with Japan in the sixties. This is a market for the export and import of many important items. In Japan, we have a network of traders through which we have come to know each other's business methods and habits during the past 20 years and more.

"Starting from hundreds of thousands of U.S. dollars, our two-way trade now amounts to millions. For several years now, Japan has emerged as our largest market outside the socialist countries. Our trade history with Japan has gone through ups and downs due to the Japanese administration's negative policies. Nevertheless, with different forms and measures, we still have been able to maintain and develop our trade relations with this country.

"However, our constant trade deficit and dependence to a certain extent on the import on credit of many important items could weaken our trade position. In the near future, we will strive to narrow this gap with our austerity policy and by stepping up exports. Meanwhile, depending deeply on one market will place us at a disadvantage, both politically and economically. Therefore, it is undeniably necessary to look for new markets while creating more counterparts in our trade relations with this market."

"Our trade relations with Hong Kong developed at an early date because of its favorable trade position right at our country's northern gate. We can export to this market local special products, fresh items, and semifinished products."

We can sell to Hong Kong many kinds of products that can hardly be sold to other markets. However, the flexibility of this market has caused us to pay little attention to improving the quality of products. "Each year, two-way trade between our country and Hong Kong can reach more or less than tens of millions of U.S. dollars and the trade balance can remain temporarily stable as long as there are no big demands for unexpected imports."

In recent years, because of its dynamic activities on the international arena, South Korea has emerged as one of our noteworthy markets. "Despite obstacles in political relations, initial steps in our informal trade with South Korea in recent years have, at times, made it the biggest market for our coal. Many other major items, such as farm products and fertilizers, have been exchanged between us and this country and, in certain years, the two-way export value has reached tens of millions of U.S. dollars.

"However, our export and credit payment capacities have restricted the prospects for trade with this market. Many of the export items of South Korea are of a competitive nature, in terms of price, against those in the Japanese market. We can make a study in order to draw a comparison in the selection of markets.

"The recent moves in South Korea's trade relations with some socialist countries in Eastern Europe could affect, to some extent, our trade relations with this big market."

Australia

Evans Affirms Support for Lini Government

BK1912082188 Melbourne Overseas Service in English 0800 GMT 19 Dec 88

[Text] Vanuatu's Supreme Court has banned President Sokomanu from trying to form an alternative government and has ordered him not to make any further statements about dissolving Parliament. The court rules that the president's role in the Constitution is specific; he did not have the power to dissolve Parliament. The ruling follows an application to the court from the government of Father Walter Lini.

The prime minister confirmed the members of the president's interim government headed by Mr Barak Sope and his supporters had been detained by police.

The Australian Government has reiterated that it recognizes the Lini government in Vanuatu, and has expressed its hope that the political crisis will be resolved by peaceful and legal means.

The foreign affairs minister, Senator Evans, told Parliament in Canberra that Port Vila remains calm, there had been no requests from Father Lini for Australian help.

Meanwhile, New Zealand's foreign affairs minister, Mr Marshall, has also endorsed Father Lini's administration as the constitutional government of Vanuatu.

Fiji

Rabuka Supports Religious Hardliners

BK1912105588 Hong Kong AFP in English 1048 GMT 19 Dec 88

[Text] Suva, Dec 19 (AFP)—Fiji's military leader Major General Sitiveni Rabuka has backed demands by religious hardliners to reimpose the South Pacific republic's strict Sunday observance laws, according to a report to be published in the FIJI POST.

The POST, an English language bi-weekly, was expected to report in its Tuesday issue that Maj. Gen. Rabuka told the hardliners that he would be prepared to go so far as to take over the country again if the interim government failed to reverse its relaxation of the laws.

A POST reporter infiltrated a closed five-hour meeting between the military commander and church leaders, who held the capital Suva under seige Saturday by setting up more than 30 roadblocks around the city.

The group, representing a fundamentalist faction of the mainstream Methodist Church, were protesting the interim government's relaxation of the Sunday laws.

Their roadblocks, which paralysed traffic, disrupted domestic and international flights and affected hospital services, were lifted after a personal plea broadcast on national radio by Maj.-Gen. Rabuka, himself a Methodist lay preacher.

The country's strict Sunday laws were recently relaxed after public pressure to allow taxis to operate freely, but the ban on trading, sport and social events remains in place.

The POST said that Maj.-Gen. Rabuka had promised the religious leaders that he would put their resolution to cabinet when it sits December 27.

The resolution calls for a total ban on both commercial and private traffic on Sundays, with only emergency services allowed to operate.

The church rebels want incoming and outgoing flights on Sundays to stop, which would seriously affect tourism, the country's second biggest industry after sugar.

Maj.-Gen. Rabuka told reporters outside the meeting that the talks were "too touchy" to discuss.

Vanuatu

Sope, Supporters Appear in Court for Charges

BK2012070508 Melbourne Overseas Service in English 0500 GMT 20 Dec 88

[Text] Five of Vanuatu's rebel politicians led by Mr Barak Sope have appeared in court in Port Vila charged with sedition in the latest round of the nation's political crisis. The five men have been remanded in custody until a hearing of the Vanuatu's Supreme Court. AUSTRALIAN ASSOCIATED PRESS says this is expected later today. The charges against the five were that they made an unlawful oath and a seditious statement.

The public prosecutor, Mr (John Baxter Wright), told the court the charges related to the weekend attempt by President Sokomanu to set up an interim government headed by Mr Sope. Mr Sope and a number of his supporters were arrested after the attempt to set up an interim government against that of the elected government of the prime minister, Father Walter Lini.

Vanuatu's assistant police commissioner, Mr (Harold Thompson), said 18 out of the 25 men involved in the interim government attempt were in detention. Mr (Thompson) said further arrests were likely.

Earlier, the Vanuatu Supreme Court ruled that President Sokomanu had acted illegally in swearing in the interim government. Father Lini said the Parliament would act quickly to determine his future.

Father Lini has urged his government in the Parliament to take what he called appropriate action against the president who refuses to resign.

Parliament Initiates Proceedings Against President
BK2012072388 Hong Kong AFP in English 0712
20 Dec 88

[Excerpt] Port Vila, Dec. 20 (AFP)—The Vanuatu Parliament initiated proceedings Tuesday to sack President George Sokomanu for trying to dissolve the legislature and name an interim government last week.

Twenty of the 46 members of Parliament, controlled by Prime Minister Walter Lini's Vanuaaku Party, signed a motion to call a meeting of the country's Electoral College to have the president removed.

They alleged misconduct, attempted treason, inciting mutiny and seditious intention on the part of Mr. Sokomanu, who tried to name Father Lini's arch rival Barak Sope to head the new government.

The move came only hours after Mr. Sope and the four other members of the abortive government were formally charged in court with sedition.

Under the Vanuatu Constitution, the Electoral College requires two weeks' notice to meet.

The college elects the president to a five-year term and it is the only body which can dismiss him.

Mr. Sokomanu has served as president since the former New Hebrides became independent from joint rulers France and Britain in 1980.

A motion of dismissal requires the support of one-third of the college, and a two-thirds majority is needed for the motion to be passed.

The college comprises the 46 members of Parliament and the presidents of Vanuatu's provincial governments.

Diplomats said that Fr. Lini, commanding the support of the entire Parliament on this issue, would have little problem in having Mr. Sokomanu dismissed. [passage omitted]

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